

ANNUAL BUDGET OF

MBIZANA LOCAL MUNICIPALITY



**2017/18 TO 2019/20
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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- **In the mayor's office, and office of the Municipal Manager**
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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget

1.1 Mayor's Report

The council of Mbizana Local Municipality, as elected by the communities, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the financial year, which means that for a 2017/18 Annual Budget, the draft budget must have been tabled to council by March 31, 2017. This requirement was met, and the draft budget was taken to communities for consultation and provision of information. A final budget must now be adopted that has taken into consideration all the inputs received.

In the recent engagements with communities, it has emerged that there are still significant service delivery backlogs, but significantly amongst these has been the issue of electricity and water. The Mbizana Local Municipality has in the recent past endeavored to ensure that electricity is rolled out to a number of villages. This has seen the electrification of the following villages in the 2016/17 financial period which are nearing completion:-

- Electrification of Monti/Ntlozelo
- Electrification of Mqonjwana/Lugwijini, and
- Electrification of Gumzana

These were funded out of a R40,4 million front loading loan from the Development Bank of Southern Africa. Part of this loan has been repaid in the 2016/17 financial year and the R15,4 million will be repaid in the 2017/18 financial period. This places a significant strain on the capability of the municipality to roll out further electrification in the financial year budget for. The electrification of villages remains a major focal point in the medium term as the majority of communities have shown an increased requirement of this.

Further funding has been sourced from the Provincial Government for electrification of the following villages to the value of R21 million and this adds onto the balance that will remain after the repayment of the R15,4 million to the Development Bank of South Africa from INEP:-

Name of Project	Budgeted Amount	Funding Source
Monti-Ntlozelo Linkline	R 9 556 515	INEP
Electrification of Mpetsheni	R 10 748 945	INEP and Provincial Grant
Electrification of Jama Village	R 4 744 544	Provincial Grant
Electrification of Mpsi Village	R 5 295 250	Provincial Grant
5 MVA Backbone line	R 500 000	Provincial Grant
Electrification of Qungebe-Ludeke	R 4 786 906	Provincial Grant

Electrification of Mpindweni	R 840	4 648	INEP
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The municipality also receives a Municipal Infrastructure Grant for the construction of infrastructure assets that enhance service delivery to all communities. The total amount to be received of just above R58 million has been allocated as follows:

NAME OF PROJECT	BUDGETED AMOUNT
Tankinin to Mdibi Access Road	R 1 600 000
Vuyisile to Nyandeni Access Road	R 1 100 000
Mntomkhulu to Gxeni Access Road	R 1 450 000
Mngomanzi Access Road	R 1 444 595
Ngqindilili Monument Access Road	R 3 120 000
Esimnyameni to Mkhambathi Access Road	R 1 600 000
Nonqulana Monument Access Road	R 2 171 029
Nqadu School to Mnyani Access Road	R 1 350 000
Mkhungo to Nkunzi Access Road	R 1 800 000
Zindleleni via Groundini Access Road	R 1 600 000
Kwandela Bridge	R 1 300 000
Upgrade of Infrastructure & Tarring of Streets in Town	R 5 000 000
Mbizana Town Hall in Ward-1	R 7 502 348
Nqabeni Community Hall	R 1 300 000
Khumbuza Community Hall	R 1 100 000
Nyaka Community Hall	R 1 100 000
Ward 29 Community Hall	R 1 021 128
Ndakeni ECDC in Ward 08	R 2 112 000
Labane ECDC in Ward 15	R 2 112 000
Mhlwazini ECDC Ward 16	R 2 112 000
Lindokuhle ECDC Ward 20	R 2 112 000
Mkolweni ECDC Ward 14	R 2 112 000
Mphuthumi Mafumbatha Stadium	R 12 000 000
	R 58 119 100

The compilation of the 2017/18 annual budget has also taken into consideration the following imperatives that impact directly to our communities:-

Repairs and Maintenance of Infrastructure Assets: The municipality has an understanding that at least 8% of its budget must be set aside for the repairs and maintenance of the existing infrastructure. As part of its drive to ensure that road infrastructure assets are maintained adequately, an amount of R8 million has been set aside for the purchase of earthmoving plant so that the municipality would be able to carry out its own repairs and maintenance. A further R2million has been set aside for the maintenance of municipal buildings and another R2million for the maintenance of municipal vehicles and plant.

OR Tambo Centenary : As it is declared nationally that 2017 is OR Tambo centenary as the home of this legend council takes pride in being part of celebrating the life and time of OR Tambo. It is a live conviction of this council to ensure that his legacy lives for the generations to come. It is not the wish of this council to only celebrate through events but tangible legacy projects that will ensure that our claim and ownership of this international icon is validated. A budget allocation of R2,1 million has been provided for this important activity.

Public participation: Municipality will embark on community education program in all wards in order to capacitate our communities on their role during public participation/ hearings on municipal documents. Also will capacitate ward committees in ensuring coordinated servicing of our communities and as structures closer to people. Program of establishment, launch and support of ward war rooms will continue this financial year as part of strengthening community and stakeholder involvement on government programs. An amount of R2,9 million has been set aside for this.

IDP and performance management: Council will continue to ensure that our IDP maintains its high credibility status through enhancing maximum public participation of all role players. We will continue to ensure that our mission of promoting and ensuring a culture of performance excellence is achieved at all costs. Although resources are very limited, these important planning and monitoring tools have been budgeted for at R3 million.

Special Programs and Sport Development: Council will always contribute in changing lives of our special groups, our focus will be towards improving education in our region through supporting educational improving initiatives, will also be strengthening capacity to community based structures that assist particularly in fighting violence and crimes targeting our elderly, children and women. We will continue to ensure that our council educate our communities on rights of people with disabilities and support initiatives that combats discrimination against them. An amount of just above R2 million has been set aside for these special groups.

Implementation of SPLUMA: Implementation of the act and running of the municipal tribunal and payment of the members to sit in the tribunal. The tribunal will consider development applications that will in turn increase the revenue base. We trust that the R700 000 set aside as well for this purpose will be sufficient.

Geographic Information System (GIS): Acquisition tool to assist to improve the immovable asset. It is the compliance issue for spatial analysis. This will also assist in the identification of municipal assets and their locations. An amount of just above R300 000 has been set aside for this.

The Annual Budget as compiled by the municipality seeks to address the imperatives as set out in the Integrated Development Plan and the indicated Delivery Agreement – outcome 9, which is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to

ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;
- Improve administrative and financial capability;
- A single window of coordination.

The Mbizana Local Municipality annual budget and the Integrated Development Plan therefore seeks to ensure that the service delivery priorities as mandated by the constitution like electricity, roads, solid waste removal are provided to the communities. This is done at the same time whilst ensuring co-ordination of other organs of state like the District Municipality for the provision of water and sanitation and other provincial departments for respective services to the communities.

1.2 Council Resolutions

The Council of Mbizana Local Municipality met by the 29th of March 2017 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2017/18 and the Medium Term Revenue and Expenditure Framework. The council must then consider the following resolutions which will become final when the budget is adopted.

The Council of Mbizana Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- a. The annual budget of the municipality for the financial year 2017/18 and the multi-year and single-year capital appropriations as set out in the following tables:
 - i) Budgeted Financial Performance (revenue and expenditure by standard classification);
 - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote) ;
 - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
 - iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - i. Budgeted Financial Position;
 - ii. Budgeted Cash Flows;

- iii. Cash backed reserves and accumulated surplus reconciliation;
 - iv. Asset management; and
 - v. Basic service delivery measurement.
- c. The Council of Mbizana Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017:
- i) the tariffs for property rates
 - ii) the tariffs for electricity
 - iii) the tariffs for solid waste services
- d. The Council of Mbizana Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2017 the tariffs for other services, as set out in the paragraphs on tariffs;
- e. To give proper effect to the municipality's annual budget, the Council of Mbizana Local Municipality approves:
- i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
 - ii) That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2017/18 financial year limited to an amount of the financial year of the MTREF in terms of Section 46 of the Municipal Finance Management Act.
 - iii) That the Accounting Officer be authorised to sign all necessary agreements and documents to give effect to the above lending programme.
- f. To enable the proper implementation of the municipality's budget, the council of Mbizana Local Municipality approves the following budget related policies;
- i) The Budget Policy
 - ii) Credit control and debt collection policy
 - iii) Property Rates Policy
 - iv) Supply Chain Management Policy
 - v) Tariff Policy
 - vi) Asset Management Policy
 - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
 - viii) Cash Management and Investment Policy

1.3 Executive Summary

As mentioned in the earlier paragraphs, the municipality prioritizes the delivery of basic services to the communities. The addressing of backlogs, especially electrification backlogs has meant that the municipality has had to utilize its reserves and these have been depleted. This means that for the current financial year budgeted for, and the two outer years, the municipality has had to perform a delicate balancing act by ensuring provision of basic services to the communities and ensuring that the municipality remains financially viable.

Previous years audit outcomes

The municipality has, in the recent past, ensured that there are improved audit outcomes. This has been a concerted effort between the municipality's council and the management in ensuring that there are improved internal controls, historical issues and disparities in the reported information are dealt with and cleared, and that accounting records and procedures are carried out at appropriate intervals. This has seen the municipality receiving a qualified and unqualified audit opinions for the 2014/15 and 2015/16 financial years respectively. The municipality intends to improve on these achievements and avoid regression at all costs.

mSCOA Implementation

The National Treasury issued a gazette in 2014, directing that a Municipal Standard Chart of Accounts – mSCOA – would be used by all municipalities from July 01, 2017. This means that all municipalities will have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This will result in a seamless reporting regime where information from all municipalities can be compared. The introduction of the business reform has meant that management needs to acquaint itself with the requirements and legislations that are meant to ensure implementation of mSCOA by July 01, 2017. Non-compliance with this requirement is not even an option as municipalities stand to lose their equitable share allocations should this not be adhered to.

It is important to note that this does not represent a new system, but rather an introduction of a more detailed and streamlined way of doing business, starting from planning, where it guides you to do proper planning, informed by adequate costing. mSCOA also encourages revenue and expenditure items to be identified for what they really are and not grouped together with no detailed planning and calculation behind. We will now be able to identify the true cost of the projects that the municipality engages on, and be able to identify, from early on, the communities that stand to benefit from those projects.

Mbizana Local Municipality is no different and has ensured that measures are put in place to ensure compliance. It is therefore important to note that we have made all efforts to ensure that the budget that will be approved is mSCOA compliant.

Budget Assumptions

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 86. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year		2016/17 Estimate	2017/18	2018/19 Forecast	2019/20 Forecast
Consumer Price Inflation - CPI		6.4%	6.4%	5.7%	5.6%

This means that any increase in the tariff increases and expenditure forecasts beyond the 6% need to be comprehensively motivated and explained. This means that to a large extent, some trading services remain heavily subsidized by other sources of revenue, a situation which must be changed as the council and management comes up with strategies of addressing this. It is clear for example that the solid waste removal is still heavily subsidized by other sources of revenue and the tariffs for this service cannot just be shot up as this would be inconsiderate and unaffordable for the communities served by the municipality.

The Public Consultations

As detailed in the later paragraphs, the municipality consulted with the communities as to ascertain priorities per ward. The annual budget as compiled for the 2017/18 financial year and the MTREF, therefore addresses some of these priorities, bearing in mind the limited resources that the municipality has at its disposal. As indicated in earlier paragraphs, the leading need by the communities is electrification and the budget is biased towards this. The budget also endeavors to allocate resources for construction and maintenance of access roads that ensure communities have access to schools and clinics. Sport development is crucial for social cohesion, and central to this is the construction of infrastructure that would ensure that youths in the communities have access to sporting facilities. The budget therefore allocates resources to such, as prioritized by communities.

Policy Review

The municipal council has reviewed a number of policies, proposing amendments to these policies and these are detailed in a later paragraph in more detail. Most of the adjustments that have been proposed are necessitated by developments and changes in the requirements of key institutions like the National Treasury and the South African Revenue Services. For example, the National Treasury has set up a database where all service providers in South Africa must be registered before they can do business with the organs of state. This development has therefore necessitated improvements or changes to the Supply Chain Management Policy.

The National Treasury has also introduced a guide for municipalities to develop a Supply Chain Management Policy for Infrastructure Procurement. This policy, as the name indicates, is meant to be specific on the procurement of infrastructure, and that the designed gates, at which there needs to be appropriate approval are set and understood.

The preparation of the budget has relied mainly on the statistics as provided in the Census of 2011. Although this has been the basis, we have kept in mind the growth of communities we serve within the municipality. The assumptions utilized in the compilation of this budget have also been based on the guidance provided by the National Treasury on the inflationary indicators to be utilized. The guidance has also touched on the requirements and expectations from the National Energy Regulator of South Africa (NERSA) on the percentage increase that can be effected on electricity tariffs.

Measureable Performance Objectives and Indicators

As part of the IDP and budget compilation process, management has identified the strategic objectives and performance indicators that would enable the municipality to achieve on the mandated powers and functions. These have been set out in the IDP with measureable performance indicators, and the budgeted amounts for the 2017/18 financial year and the two outer years. This information has further been detailed more in the Service Delivery Budget Implementation Plan for the 2017/18 financial year which must be approved by the Mayor at least 28 days after the adoption of the budget. The objectives have further been provided with projects that will be implemented to achieve the set targets and these projects have been supported by project implementation plans for each of the projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2017/18 MTREF

MBIZANA LOCAL MUNICIPALITY					
BUDGET SUMMARY BY SOURCE AND EXPENDITURE BY TYPE					
May-17					
REVENUE	2017-20 MTREF				
TYPE	2016/17 BUDGET	2016/17 ADJUSTED BUDGET	2017/18 BUDGET	2018/19 BUDGET	2019/20 BUDGET
Property Rates	-21 057 299,76	-21 057 299,76	-22 341 795,05	-23 659 960,95	-25 032 238,69
Service Charges - Electricity	-24 730 572,13	-27 862 192,12	-29 561 785,84	-31 305 931,20	-33 121 675,21
Service Charges - Refuse	-2 001 250,80	-2 001 250,80	-2 123 327,10	-2 248 603,40	-2 379 022,39
Service Charges - Other	-10 451,06	-10 451,06	-11 088,57	-11 742,80	-12 423,88
Agency Services	-813 504,04	-813 504,04	-863 127,79	-914 052,33	-967 067,36
Rental of Facilities & Equipment	-721 343,71	-721 343,71	-765 345,68	-810 501,07	-857 510,13
Fines	-775 240,82	-775 240,82	-822 530,51	-871 059,81	-921 581,28
Licences & Permits	-2 236 041,03	-2 236 041,03	-2 372 439,53	-2 512 413,47	-2 658 133,45
Interest Earned - External Investments	-5 804 729,78	-5 804 729,78	-6 158 818,30	-6 522 188,58	-6 900 475,51
Interest Earned - Outstanding Debtors	-1 672 803,44	-1 672 803,44	-1 774 844,45	-1 879 560,27	-1 988 574,77
Loan Advance	0,00				
Grants & Subsidies Rec'd - Operational	-181 992 950,00	-183 099 742,06	-204 938 900,00	-233 352 800,00	-243 613 300,00
Grants & Subsidies Rec'd - Capital	-68 851 050,00	-98 551 050,00	-113 800 100,00	-74 320 200,00	-86 065 700,00
Gains on Disposal of PPE	0,00				
Other Revenue	-1 016 389,50	-1 016 389,51	-1 078 389,27	-1 142 014,24	-1 208 251,06
From Own Reserves					
TOTAL	-311 683 626,07	-345 622 038,13	-386 612 492,08	-379 551 028,11	-405 725 953,74
EXPENDITURE					
Employee Related Costs	87 842 980,35	84 785 818,33	107 441 676,04	111 024 559,84	116 575 787,83
Remuneration of Councillors	23 185 791,99	20 233 505,15	21 502 263,38	22 577 376,55	23 706 245,38
Debt Impairment	1 900 000,00	1 900 000,00	1 995 000,00	2 094 750,00	2 199 487,50
Bulk Purchases - Electricity	27 711 868,80	28 984 274,80	31 303 016,78	33 807 258,13	36 511 838,78
Interest Paid	1 499 715,00	1 499 715,00	1 574 700,75	1 653 435,79	1 736 107,58
Depreciation & Asset Impairment	39 400 000,00	39 400 000,00	46 010 535,90	48 311 062,70	50 726 615,83
Grants & Subsidies Given	3 880 800,00	4 880 800,00	11 209 307,20	11 769 772,56	12 358 261,19
Operational Expenses	75 206 012,57	79 534 304,02	36 663 848,88	38 035 041,32	39 936 793,39
Repairs & Maintenance	12 873 366,77	15 035 866,77	5 807 329,43	14 497 695,90	15 222 580,69
Contracted Services	0,00		35 119 293,87	36 982 758,56	38 834 396,49
Contributions to Capital	52 383 090,59	117 249 539,06	115 202 430,62	81 495 288,40	93 599 542,52
Other Materials			882 000,00	926 100,00	972 405,00
Contribution to Provisions	2 100 000,00	2 450 000,00	2 000 000,00	2 100 000,00	2 205 000,00
TOTAL	327 983 626,07	395 953 823,13	416 711 402,85	405 275 099,75	434 585 062,18

The table above shows the summary of the budget for the 2017/18 financial period with the outer years. The table shows that the expected revenue for the 2017/18 financial year adds up to just above R386 million. The revenue is mainly expected from grant funding to the value of R318 million and this forms just above 82% of the budget.

The municipality has seen a slight improvement in the 2016/17 financial year in the revenue generated from electricity. We have a strong belief that a lot more still needs to be done to ensure that there are surpluses realized from this trading service and we are able to augment and improve on the current service delivery to the communities. We forecast that an amount of R29 million will be generated from this revenue source.

The employee related costs show a significant increase as a result of percentage increase resulting from the agreements in the Bargaining Council. It should be noted that this is quite a significant increase and measures must be put in place to ensure that these costs don't become a runaway train. The basis of the budgeted amount for employee related costs is on the approved organizational structure which should enable the municipality to achieve its objectives. The employee related costs are at 43% of the budgeted operational expenditure.

MBIZANA LOCAL MUNICIPALITY					
BUDGET SUMMARY VOTE					
May-17					
REVENUE	2017-20 MTREF				
VOTE	2016/17 BUDGET	2016/17 ADJUSTMENT BUDGET	2017/18 BUDGET	2018/19 BUDGET FORECAST	2019/20 BUDGET FORECAST
Council & General Expenses	0,00	0,00			
Mayor's Office	0,00	0,00			
Municipal Manager	0,00	-532 086,61			
Speaker	0,00	0,00			
Budget & Treasury	-207 349 443,05	-207 757 291,50	-231 156 739,08	-263 566 252,68	-275 585 649,34
Corporate Services	-207 004,94	-207 004,94	-219 632,24	-232 590,54	-246 080,80
Development & Planning	-680 127,41	-680 127,41	-225 154,48	-238 438,60	-252 268,03
Community Development	-3 640 914,11	-3 807 771,11	-3 933 966,87	-4 165 420,92	-4 406 555,33
Refuse Removal & Cemetary	-3 120 762,92	-3 120 762,92	-3 865 005,46	-2 288 504,78	-2 421 238,06
Road Works & Engineering	-46 624 312,20	-46 624 312,20	-61 618 558,95	-52 382 551,92	-55 299 611,93
Electricity	-50 061 061,44	-82 892 681,44	-85 593 435,01	-56 677 268,67	-67 514 550,26
TOTAL	-311 683 626,07	-345 622 038,13	-386 612 492,08	-379 551 028,11	-405 725 953,74
EXPENDITURE					
Council & General Expenses	38 447 644,19	35 355 357,35	38 655 171,38	40 587 929,95	42 617 326,45
Municipal Manager	26 683 234,58	26 803 518,70	28 770 656,18	30 209 188,99	31 719 648,44
Budget & Treasury	63 938 053,15	63 584 243,96	68 919 500,15	72 365 475,16	75 983 748,92
Corporate Services	42 354 949,50	44 412 388,58	49 683 389,81	52 167 559,30	54 775 937,27
Development Planning	15 536 684,00	15 695 514,04	15 946 198,63	16 743 508,56	17 580 683,99
Community Development	30 529 371,78	31 382 039,65	40 321 344,08	41 736 161,28	43 825 469,35
Refuse Removal & Cemetary	13 045 985,34	14 716 628,43	17 017 919,37	16 079 615,34	16 883 596,10
Road Works & Engineering	63 009 458,41	64 947 149,07	78 876 608,60	69 189 975,28	72 928 963,74
Electricity	34 438 245,12	99 056 983,35	78 520 614,65	66 090 685,89	78 159 437,93
TOTAL	327 983 626,07	395 953 823,13	416 711 402,85	405 170 099,75	434 474 812,19

The Road Works and Engineering and Electricity Departments continue to receive a significantly higher budget at R78,8 million and R78,5 million respectively. This is due to the fact that infrastructure projects are mainly found in these two departments and these play a leading role in the delivery of basic services to the communities.

1.4 Operating Revenue Framework

Mbizana Local Municipality strives to provide its communities with the required services and for it to succeed in doing that, it has to ensure that it has an operating revenue framework that ensures that it is able to fund its operations. This talks to the fact that there must be strategies in place to maximize the collection of revenue from the streams that already exist, but as well identify new revenue streams to augment the existing ones. A revenue enhancement strategy was approved by the council and management is currently busy with the implementation of that plan.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

In preparing the budgets, realistically anticipated revenues have been considered, and as has been indicated several times earlier, the tough economic conditions reflect on the reduced anticipated revenues. The property rates, electricity all show a decline and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items.

Table 2 Summary of revenue classified by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

2017/18 Medium Term Revenue & Expenditure Framework												
Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source												
Property rates	2		9,975	15,554	16,511	21,057	21,057	21,057	-	22,342	23,660	25,032
Service charges - electricity revenue	2		17,270	17,598	20,805	24,731	27,862	27,862	-	29,412	31,119	32,816
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		1,035	1,033	1,008	2,001	2,001	2,001	-	2,123	2,249	2,379
Service charges - other			76		29	10	10	10		11	12	12
Rental of facilities and equipment			809	609	608	721	721	721		765	811	858
Interest earned - external investments			5,718	7,619	6,028	5,805	5,805	5,805		6,159	6,522	6,900
Interest earned - outstanding debtors			495	968	2,415	1,673	1,673	1,673		1,775	1,880	1,989
Dividends received			-				-					
Fines, penalties and forfeits			630	1,271	1,659	775	775	775		823	871	922
Licences and permits			1,203	1,823	2,442	2,236	2,236	2,236		2,372	2,512	2,658
Agency services			553			814	814	814		863	914	967
Transfers and subsidies			131,992	151,593	189,891	181,993	183,100	183,100		204,939	233,353	243,613
Other revenue	2		1,908	1,059	1,109	1,016	1,016	1,016	-	1,078	1,142	1,208
Gains on disposal of PPE												
Total Revenue (excluding capital transfers and contributions)			171,664	199,128	242,504	242,833	247,071	247,071	-	272,663	305,044	319,354

- Table 3 Percentage growth in revenue by main revenue source

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% Growth	Budget Year	Budget Year +1	Budget Year +2
R thousand	1										
Revenue By Source											
Property rates	2	9,975	15,554	16,511	21,057	21,057	21,057	6%	22,342	23,660	25,032
Service charges - electricity revenue	2	17,270	17,598	20,805	24,731	27,862	27,862	6%	29,412	31,119	32,816
Service charges - water revenue	2	-	-	-	-	-	-	0%	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	0%	-	-	-
Service charges - refuse revenue	2	1,035	1,033	1,008	2,001	2,001	2,001	6%	2,123	2,249	2,379
Service charges - other		76		29	10	10	10	6%	11	12	12
Rental of facilities and equipment		809	609	608	721	721	721	6%	765	811	858
Interest earned - external investments		5,718	7,619	6,028	5,805	5,805	5,805	6%	6,159	6,522	6,900
Interest earned - outstanding debtors		495	968	2,415	1,673	1,673	1,673	6%	1,775	1,880	1,989
Dividends received		-				-		0%			
Fines, penalties and forfeits		630	1,271	1,659	775	775	775	6%	823	871	922
Licences and permits		1,203	1,823	2,442	2,236	2,236	2,236	6%	2,372	2,512	2,658
Agency services		553			814	814	814	6%	863	914	967
Transfers and subsidies		131,992	151,593	189,891	181,993	183,100	183,100	12%	204,939	233,353	243,613
Other revenue	2	1,908	1,059	1,109	1,016	1,016	1,016	6%	1,078	1,142	1,208
Gains on disposal of PPE								0%			
Total Revenue (excluding capital transfers and contributions)		171,664	199,128	242,504	242,833	247,071	247,071	10%	272,663	305,044	319,354
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		63,981	67,644	69,511	68,851	98,551	98,551	15%	113,800	74,320	86,066
Total Revenue		235,645	266,772	312,015	311,684	345,622	345,622	12%	386,463	379,364	405,420

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The own revenue generation of the municipality is pillared mainly by electricity distribution and levying of property rates. Although the municipality to a larger extent relies on grants, these own revenue sources remain very important and all efforts need to be made to ensure that maximum returns are realized on them.

Property Rates depend on the availability of the valuation roll to be levied. A valuation roll has been finalized although it is under constant challenge from the rate payers. The availability of the valuation roll has meant that a detailed and involved process is followed to determine the tariff to be levied instead of using unreliable methods of calculations. The latest valuation roll, updated with the supplementary valuations was utilized in arriving at the possible amounts that can be raised out of property rates.

Electricity distribution forms a significant part of the own funding by the municipality. The performance of this stream of revenue has been under considerable strain over the past few years, and it has become difficult to expect an immediate change out of it, however measures implemented over the past financial year and during the year have begun to show some positive results which still need to be monitored closely.

Table 4 Operating Transfers and Grant Receipts

EC443 Mbizana - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		147,579	173,185	209,919	203,804	203,804	-	235,530	255,387	274,482
Local Government Equitable Share		124,139	145,251	181,314	175,910	175,910		197,681	227,226	238,082
Finance Management		1,550	1,600	1,675	1,810	1,810		2,145	2,400	2,400
Municipal Systems Improvement		890	934	930	-	-			761	
EPWP Incentive		1,000	1,000	1,000	1,084	1,084		1,704	-	-
Integrated National Electrification Programme		20,000	24,400	25,000	25,000	25,000		34,000	25,000	34,000
Other transfers/grants (insert description)										
Provincial Government:		461	400	250	381	381	-	350	370	391
Sport and Recreation				250	263	263		350	370	391
Other transfers/grants (insert description)		461	400		118	118				
District Municipality:		-	-	100	400	400	-	-	-	-
Integrated Development Planning				100	100	100				
Spatial Development Framework					300	300				
Other grant providers:		-	-	-	100	100	-	-	-	-
GIS Shared Services					100	100				
Total Operating Transfers and Grants	5	148,040	173,585	210,269	204,685	204,685	-	235,880	255,757	274,873

Table 4 shows the operating grants that the municipality has been allocated for the 2017/18 financial period and the MTREF. The Equitable Share has increased to R197.7 million and the municipality revenue has grant funding in the excess of R235 million. It is important to note though that the R15.4 million of the INEP grant will be utilized to settle the front loading loan the municipality currently has with the DBSA.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.
- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.
- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.

- **Tariff Setting for the 2017/18 and MTREF Period**

As part of generating own revenue, the municipality needs to set tariffs for the revenue streams for which it has been made responsible for in terms of various legislations. For example the Municipal Property Rates Act empowers the municipality to levy rates on all ratable properties.

A number of considerations have been taken into consideration in setting up the tariffs to be utilized from July 01, 2017 as indicated in earlier paragraphs. The municipality has not been immune to the adverse economic conditions that are currently experienced throughout the country. These conditions have been taken into consideration as the tariffs were being set and all the input costs that go into providing the specific services.

1.4.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

The tariff structure has remain basically unchanged for residential properties as shown in the table below. However, it was brought into our attention by the National CoGTA that we had in the previous financial years unfairly charge government departments a higher rate than all other properties whilst these are not in the business of making profits. The vacant land has been raised higher to discourage hoarding of pieces of land that have not been developed. We have therefore taken these into consideration in arriving at the tariff as shown below

Table 5 Comparison of proposed rates to be levied for the 2017/18 financial year

PROJECTED TARIFFS	2017/18	2018/19	2019/20
	c/R	c/R	c/R
Residential	0,0060	0,0060	0,0060
Business And Commercial	0,0120	0,0120	0,0120
State Owned	0,0090	0,0090	0,0090
Vacant Land	0,0090	0,0090	0,0090

1.4.1.2 Sale of Electricity and Impact of Tariff Increases

The municipality distributes electricity in the town area of Mbizana and to do this, a service charge must be levied in order to recover the costs incurred. There has been a noticeable increase in the revenue generated from electricity as a result of projects undertaken that has seen losses reduced. However there is still a lot of work to be done to ensure that this service is at least able to sustain itself, and at some point be able to provide enough revenue for other service delivery imperatives.

As guided by National Treasury Circular 86, there has been very minimal increase in the electricity tariffs and this is informed by the percentage increase that has been considered for ESKOM by NERSA. We have therefore applied a 0,31% increase as directed. We however received another guide from the National Energy Regulator of South Africa (NERSA) indicating a guide of 1,88% increase on electricity tariffs. This is what has been factored in and the tariffs are as follows:-

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

MBIZANA LOCAL MUNICIPALITY				
CALCULATION OF TARIFF INCREASE FOR THE YEAR 2017/ 2018				
DOMESTIC TARIFFS				
DOMESTIC PREPAID				
TARIFF BLOCK(c/kWh)	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Block 1 (0-50 kWh)	84,61	1,88%	1,59	86,20
Block 2 (51-350 kWh)	107,64	1,88%	2,02	109,66
Block 3 (351-600 kWh)	152,51	1,88%	2,87	155,38
DOMESTIC CONVENTIONAL (c/kWh)				
TARIFF BLOCK(c/kWh)	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Block 1 (0-50 kWh)	84,61	1,88%	1,59	86,20
Block 2 (51-350 kWh)	107,64	1,88%	2,02	109,66
Block 3 (351-600 kWh)	152,51	1,88%	2,87	155,38
Block 4 (>600 kWh)	179,88	1,88%	3,38	183,26
Basic Charge (R/ Month)	169,45	1,88%	3,19	172,64
COMMERCIAL TARIFFS				
COMMERCIAL SINGLE PHASE				
	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	358,46	1,88%	6,74	365,20
Energy Charge (c/kWh)	157,25	1,88%	2,96	160,21
COMMERCIAL SINGLE PHASE PRE-PAID				
COMMERCIAL THREE PHASE				
	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	666,54	1,88%	12,53	679,07
Energy Charge (c/kWh)	149,90	1,88%	2,82	152,72
COMMERCIAL THREE PHASE - PRE-PAID				
TARIFF DETAIL	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	666,54	1,88%	12,53	679,07
Energy Charge (c/kWh)	149,90	1,88%	2,82	152,72
INDUSTRIAL TARIFFS				
LARGE POWER USER (More than 100KVA Maximum Demand)				
	2016/2017 TARIFF	2017/2018 PROPOSED % INCREASE	VALUE INCREASE	PROPOSED TARIFF
Basic Charge (R/ Month)	1127,52	1,88%	21,20	1 148,72
Demand Charge (per KVA)	194,78	1,88%	3,66	198,44
Energy Charge (c/kWh)	73,63	1,88%	1,38	75,01

Other Electricity Related Tariffs

	APPROVED TARIFFS 2016/17	DRAFT TARIFFS 17/18
Connection Fees		
20 AMPS (Single Phase)	R 872,12	R 924,32
60 AMPS (Single Phase)	R 2 858,44	R 3 032,80
100 AMPS (Prepaid/Conventional – 3Phase)	R 3 334,84	R 3 538,27
kVa	R 1 786,52	R 1 842,45
Temporal connection fee	R 381,12	R 404,37
Key pad replacement		R 404,37
Reconnection Fees	R 381,12	R 404,37
Meter movement fee	R 393,26	R 417,25
Meter Replacements		
20 AMPS (Single Phase)	R 460,70	R 488,80
60 AMPS (Single Phase)	R 506,92	R 537,84
100 AMPS (Prepaid/Conventional – 3Phase)	R 1 866,02	R 1 979,85
Direct Tempering Fine		
First tamper	R 6 000,00	R 6 366,00
Second Temper	R 7 500,00	R 7 957,50
Third Temper	R 9 000,00	R 9 549,00
Fourth Temper (Permanent Disco	R 11 000,00	R 11 671,00
Indirect Tempering Fine		
Failure to report a free electricity dispensing unit will be regarded as direct tempering	R 3 500,00	R 3 713,50

1.4.1.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

The following table compares current and proposed amounts payable from 1 July 2017:

Table 6 Comparison between current waste removal fees and increases

	Actual Tariffs 2016/17	Draft Tariffs 2017/18	2018/19
TARRIFS			
Refuse removal			
Refuse Removal – big businesses 3 times weekly 6 times weekly	R561.02 R1122.04	R611.51 R1223.02	R666.54 R1333.09
Refuse Removal – small businesses	R259.53	R282.89	R308.35
Refuse removal – businesses (Rural)	R561.02	R611.51	R666.54
Refuse Removal- residences	R119.55	R130.31	R142.03
Refuse Removal- vacant plots	R58.38	R63.63	R69.35
Refuse removal – Special event	R1635.00 Travelling per km more than 10 km from town charged using Dep. Of Transport rates	R1782.15 Travelling per km more than 10 km from town charged using Dep. Of Transport rates	R1942.54 Travelling per km more than 10 km from town charged using Dep. Of Transport rates

Waste Disposal Bakkie per load	R62.96	R68.63	R74.80
Waste Disposal Truck per load	R109.00	R118.81	R129.50
Penalties			
Illegal Dumping – General waste	R327.00	R356.43	R388.50
Illegal Dumping – Rubble	R763.00	R831.67	R906.52
Illegal Dumping – Hazardous waste	R1090.00	R1188.10	R1225.02

Other refuse removal related tariffs

	Actual Tariffs 2016/17	Draft Tariffs 2017/18	2017/18
TARRIFS			
Grass cutting	R11.11 per m ² – travelling per km more than 10 km from town charged using Dep. Of Transport rates	R12.10 per m ² – travelling per km more than 10 km from town charged using Dep. Of Transport rates	R13.19 per m ² – travelling per km more than 10 km from town charged using Dep. Transport rates

1.4.1.4 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

Community Services Tariffs

	Actual Tariffs 2016/17	Draft Tariffs 2017/18	2018/19
Hall Hire –town			
Meetings & Churches (hourly rate)	R117.08	R124.10	R131.54
Entertainment & Workshops	R292.73	R310.29	RR328.90
Security Fees	R1018.60	R1079.72	R1144.50
Hall Hire – Villages			

Hall Hire	R260.54	R276.17	R292.74
Security Fees	R521.07	R552.33	R585.46
Sports Field/Stadium			
Special letting	R1696.00	R1797.76	R1905.62
Practices or Matches per 2 hours	R127.20	R134.83	
Security Fees	R1018.60	R1079.72	R1144.50
Community Park & Open Spaces			
Group Entertainment	R447.47	R474.32	R502.77
Security Fees	R1018.60	R1079.72	R1144.50
Cemetery			
Adults	R604.13	R640.38	R678.80
Children	R303.79	R322.02	R341.34
Stillborn	R119.10	R126.25	R133.82
Grave digging	R1166.00	R1235.96	R1310.11
Pound Fees			
Admission of guilt under municipal by-laws for all animals	R337.08	R357.30	R378.73
Storage at the Pound			
NB: Where there are more than five animals impounded, from the sixth animal, 50% of the daily rate will be charged. This charge will apply for animals belonging to one owner.			
Cattle, Horses, Donkeys and any other animal of similar size per day	R59.55 per night	R63.12 per night	R66.90
Goats, sheep and other animals of the same size per day	R35.51 per night	R37.64 per night	R39.89
If captured by SAPS(e.g. recovered stolen animals)	R23.82 per night	R25.25 per night	R26.76
Motor vehicles	R236.38 per night	R250.56 per night	R265.59
Other goods	R42.40 per night	R44.94 per night	R47.63
Library fees			

Photocopy(B&W per page)	R0.59	R0.63	R0.67
Color (per page)	R1.06	R1.12	R1.18
Lost book	Market value of the book	Market value of the book	Market value of the book
Overdue returns	R71.91 per day	R76.22 per day	R80.79
Book Tempered with	R35.73	R37.87	R40.14
Library membership			
Adults – per annum	R59.55	R63.12	R66.90
Children (12 years & older)- per annum	R33.73	R35.75	R37.89

Development Planning Tariffs

VENDING AND HAWKING	CURRENT YEAR PROPOSED TARRIF INCREASE		
	CURRENT TARRIF	APPROVED TARIFF (2016/17)	Draft Tariffs 2017/18
Registration for permit	R135	R138.10	146.52
Hawker with stall renewal	R250	R265	281.17
Hawker without stall renewal	R100	R106	112.47
Registration of permit for bakkies	R300	R330	350.13
Renewal of permit for bakkies	R500	R550	583.55
Hawkers outside of town without stall (once off)	R50	R53	56.23
Registration for hawkers with stalls outside town	R100	R106	112.47
Renewal for hawkers with stalls outside town	R100	R106	112.47

Town Planning Tariffs

ACTIVITY	MLM EXISTING FEE, 2015/16	MLM PROPOSED FEE, 2016/17	MLM PROPOSED 2017/2018 @6.1%
Newspaper(s) and government gazette Advertising	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant	Daily dispatch or Gov Gazette Tariff to be borne by the applicant
Rezoning Application per m²			
Erven 0 – 2500m ²	1860	1971.60	2091.87
Erven 2501 – 5000m ²	3460	3667.60	3891.32
Erven 5001 0 – 1 Ha	6860	7271.60	7661.17
Erven 1, 0001Ha – 5Ha	8960	9497.60	10076.95
Erven over 5Ha	12260	12995.60	13788.33
Special Consent / Temporary Departure Application m²			
Erven 0 – 2500m ²	1510	1600.60	1698.24
Erven 2501 – 5000m ²	3110	3296.60	3497.69
Erven 5001 0 – 1 Ha	6510	6900.00	7320.95
Erven 1, 0001Ha – 5Ha	8810	9338.60	9908.25
Erven over 5Ha	11610	12306.60	13057.30
Subdivision Application			
Erven 1-2	None	2066.05	2192.08
Erven 1-3	None	2754.83	2922.87

Erven 1-4	None	3443.52	3653.57
Erven 1-5	None	4132.30	4132.30
Erven 1-6	None	4820.00	5114.02
Erven 1-7	None	5509.56	5845.64
Erven 1-8	None	6198.35	6576.45
Erven 1-9	None	6887.03	7307.14
Erven 1-10	None	7575.71	8037.83
Erven more than 10	None	13773.96	14614.17
Departure Application from the scheme (Building Lines, height, coverage etc)			
Erven 0 – 530m ²	None	1297.02	1376.14
Erven 531– more	None	1945.52	2064.20
Application for the Removal of Restrictions	9250	9805	10403.00
Zoning Certificate	120	127.20	134.96
Town Planning Scheme	300	318	337.40
Spatial Development Framework	500	530	562.33
Application for Consolidation of Erven	2000	2120	2249.32
SG Diagram	1000.2	1060	1124.66
Amendment of the Subdivisional Plan	R2579.00	2733.74	2900.50
Extension of Validity	4671. 62	4671. 62	4956.59

Building Control**Signage**

BILLBOARD LOCAL	2014/2015	2015/2016 @ 6%	2016/2017 @6%	2017/2018 @6.1%
1. 1m (h) x 1.5m(h) per month	R 316	R 335	R 355	R 376.66
2. 1.5m(h) x 2m(w) per month				
3. 2m(h) x 3m(w) per panel per month	R 369	R 391	R 414	R 439.25
4. 3(m) x 4m(w) per structure per month	R 422	R 447	R 474	R 502.91
	R 474	R 502	R 532	R 564.45
BILLBOARD NATIONAL				
5. 1.5m(h) x 3m(w)	R 1,054	R 1,117	R 1,184	R 1,256.22
6. 3m(h) x 6m(w)				
7. 6m(h) x 4m(w)	R 1,581	R 1,676	R 1,777	R 1,885.40
8. 9m(h) x 6m(w)	R 2,108	R 2,234	R 2,368	R 2,512.45
	R 5,270	R 5,586	R 5,921	R 6,282.18
ANNUAL FEES				
9. Directional Sign (Per sign face)	-	R 500	R 530	R 562.33
10. Illuminated sign (per sign face)	-	R 650	R 689	R 731.03
11. Litter Bins	-	R 350	R 371	R 393.63
12. Permanent Street Pole Poster	-	R 550	R 583	R 618.56
13. Seating Bench	-	R 550	R 583	R 618.56
14. Encroaching Sign	-	R 550	R 583	R 618.56

PERMIT FEES				
15. Banner	-	R 350	R 371	R 393.63
16. Mobile Signs	-	R 1200	R 1272	R 1349.59
17. Poster maximum 100	-	R 1000	R 1060	R 1124.66
18. Standard signage	-	R 250	R 250	R 265.25
DEPOSITS				
19. Banner	-	R 500	R 530	R 562.33
20. For Sale	-	R 1000	R 1060	R 1124.66
21. Poster	-	R 1000	R 1060	R 1124.66
22. Election Poster (per party)	-	R 5000	R 5300	R 5623.30

Building Plan Fees

Extension 1 and Extension 2	2014/2015	2015/2016	2016/2017 @ 6%	2017/2018 @6.1%
Fee per 1m ²	-	R 30.00	R 31.80	R 33.74
Swimming Pool	-	R 400.00	R 424.00	R 449.86
Retaining /Boundary wall	-	R 400.00	R 424.00	
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	

Plan Amendment Fees

Amendment	2014/2015	2015/2016	2016/2017 @ 6 %	2017/2018 @6.1%
No increase in floor area	-	R 460.00	R 487.60	R 517.34

Temporary Building/Structure Approved by Council

Description	2014/2015	2015/2016	2016/2017 @ 6%	2017/2018 @6.1%
Storage facility per year	-	R 450.00	R 477.00	R 506.10
Container per year	-	R 450.00	R 477.00	R 506.10
Caravan per year	-	R 450.00	R 477.00	R 506.10

Demolitions

	2014/2015	2015/2016	2016/2017 @ 6 %	2017/2018 @ 6.1%
Per first 100 linear meter	-	R 420.00	R 445.20	R 472.36
Thereof every linear meter exceed 100 meters	-	R 30.00	R 31.80	R 33.74

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977

OFFENCE CODE	NUMBER OF SECTION	DESCRIPTION OF OFFENCE	FINE 2015/2016 @ 6%	FINE 2016/2017 @ 6 %	FINE 2016/2017 @ 6.1 %
	4(4)	Building without approved building plan.	R1000	R 1060	R 1124.66
	10(2)	Building in contravention of a	R1000	R 1060	R 1124.66

		notice prohibiting any building work.			
	12(6)	Failure to demolish, alter or safeguard.	R500	R 530	R 562.33
	14(3)	Submit false certificate or issuing thereof.	NAG		
	14(4) (a)	Occupy or use of building without occupation certificate.	R1000	R 1060	R 1124.66
	15(2)	Preventing a building control officer in the execution of his/her duties.	R1500	R 1590	R 1686.99
	19(2)	Prohibition on the use of certain building methods and materials.	R500	R 530	R 562.33
	A2 (3) (f)	Submit false or misleading information	NAG		
	A15 (5)	Failure to maintain, safeguard or service installation.	R500	R 530	R 562.33
	A17 (4)	Illegal or withdrawn certificate of identity.	NAG		
	A18 (5)	Failure to supervise and/or control plumbing work.	R500	R 530	R 562.33
	A22 (4)	Failure to give notice of intention to commence erection or demolition of a building.	R1000	R 1060	R 1124.66
	A25 (2)	Use of a building for a purpose other than	R1000	R 1060	R 1124.66

		the purpose shown on approved plans.			
	A25 (5)	Deviation from approved building plan.	R1000	R 1060	R 1124.66
	A25 (11)	Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement.	R1000	R 1060	R 1124.66
	D4 (2)	Failure to safeguard a swimming pool.	R1000	R 1060	R 1124.66
	E1 (1)	Failure to apply for written permission for demolition.	R1000	R 1060	R 1124.66
	E1 (3)	Failure to safeguard demolition work.	R1500	R 1590	R 1686.99
	F1 (6)	Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public.	R1500	R 1590	
	F6 (3)	Failure to control dust and noise.	R500	R 530	R 562.33
	F7 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation F6 regarding the Cutting into, laying open and demolishing certain work.	R500	R 530	R 562.33
	F8 (2)	Failure to comply with a notice to remove waste material on site.	R500	R 530	R 562.33

	F9 (2)	Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site.	R500	R 530	R 562.33
	F10 (7)	Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds.	R1000	R 1060	R 1124.66
	F11 (2)	Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities.	R500	R 530	R 562.33
	P1 (5)	Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building.	R500	R 530	R 562.33
	P3 (5)	Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge.	R500	R 530	R 562.33
	P4 (2)	Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent.	R1000	R 1060	R 1124.66
	P5 (4)	Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections.	R500	R 530	R 562.33
	P6 (2)	Failure to comply with any provision of or any	R1000	R 1060	R 1124.66

		notice issued in terms of Regulation P6 Unauthorized drainage work.			
	P7 (4)	Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations.	R1000	R 1060	R 1124.66
	T2 (1)	Failure to make and maintain adequate provision in terms of the requirements of Regulation T1 (1) (e) or failure to comply with relevant SABS specifications.	R1000	R 1060	R 1124.66
	T2 (2)	Obstructing or causing to be obstructed of an escape route.	R1000	R 1060	R 1124.66

GIS Tariffs

Size of Paper	Full Ink	2017/18	Line Map	2017/18
A2	R50.00	R53.05	R25.00	R26.53
A1	R75.00	R79.58	R40.00	R42.44
A0	R100.00	R106.10	R50.00	R53.05

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

EC-443 mizana - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type											
Employee related costs	2	47,932	59,634	71,790	87,843	84,786	84,786	-	107,442	111,025	116,576
Remuneration of councillors		15,910	17,895	18,956	23,186	20,234	20,234		21,502	22,577	23,706
Debt impairment	3	3,071	3,480	4,569	1,900	1,900	1,900		1,995	2,095	2,199
Depreciation & asset impairment	2	32,807	38,360	37,992	39,400	39,400	39,400	-	46,011	48,311	50,727
Finance charges		465	456	547	1,500	1,500	1,500		1,575	1,653	1,736
Bulk purchases	2	20,812	22,310	24,528	27,712	28,984	28,984	-	31,303	33,807	36,512
Other materials	8								882	926	972
Contracted services		-	-	-	-	-	-	-	35,119	39,878	38,724
Transfers and subsidies		788	-	-	3,881	4,881	4,881	-	11,209	11,770	12,358
Other expenditure	4, 5	61,773	69,757	178,705	90,179	97,020	97,020	-	44,471	51,633	57,364
Loss on disposal of PPE											
Total Expenditure		183,557	211,892	337,088	275,601	278,704	278,704	-	301,509	323,675	340,875

The budgeted allocation for employee related costs for the 2017/18 financial year totals R107 Million. Based on the guidelines on circular 85 and 86, salaries are supposed to be factored into this budget at average CPI between (January 2016 and February 2017) plus 1 percent which was calculated to 7.4 percent for the 2017/18 financial year. An annual increase of 5.4 per cent has been included in the two outer years of the MTREF. As part of the planning, all departments have been requested to submit their personnel requirements for the years budgeted for. This includes existing positions that are currently filled, vacant positions that will be filled and as such should be budgeted for.

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

- **Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. The municipality has set aside R8,8 million for the free basic energy and services for the 2017/18 financial period.

Table 9 Summary of operating expenditure by functional classification item

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	188,427	197,849	207,741
Executive and council		-	-	-	-	-	-	54,571	57,299	60,164
Finance and administration		-	-	-	-	-	-	130,744	137,282	144,146
Internal audit		-	-	-	-	-	-	3,112	3,268	3,432
<i>Community and public safety</i>		-	-	-	-	-	-	13,604	14,285	15,003
Community and social services		-	-	-	-	-	-	10,991	11,543	12,123
Sport and recreation		-	-	-	-	-	-	584	613	644
Public safety		-	-	-	-	-	-	948	996	1 045
Housing		-	-	-	-	-	-	1,080	1,134	1,191
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	37,176	46,973	49,321
Planning and development		-	-	-	-	-	-	18,758	19,234	20,196
Road transport		-	-	-	-	-	-	16,414	25,634	26,916
Environmental protection		-	-	-	-	-	-	2,004	2,104	2,210
<i>Trading services</i>		-	-	-	-	-	-	60,114	62,270	66,398
Energy sources		-	-	-	-	-	-	43,829	46,959	50,322
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	16,286	15,311	16,076
<i>Other</i>	4	-	-	-	-	-	-	2,187	2,297	2,412
Total Expenditure - Functional	3	-	-	-	-	-	-	301,509	323,675	340,875
Surplus/(Deficit) for the year		-	-	-	-	-	-	85,104	55,876	64,851

The table above gives an overview of the operational expenditure per functional classification or by functional areas within the municipality.

- **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2017/18 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

Repairs and Maintenance	8											
Employee related costs												
Other materials									200	210	221	
Contracted Services									5,607	14,288	15,002	
Other Expenditure									-	-	-	
Total Repairs and Maintenance Expenditure	9	-	-	-	-	-	-	-	5,807	14,498	15,223	

An amount of R5.8 million has been set aside in the 2017/18 financial period for the maintenance of municipal assets. The amount is lower than the proposed treasury percentages, the municipality has taken a decision to rather purchase municipal plant and machinery which will be used to repair road infrastructure. This will ensure that there is improved access to all the wards in the municipality. There is also an increased need to repair other infrastructure assets like the municipal offices, community halls and the municipal vehicles.

Table 11 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available												
	Cash/cash equivalents at the year end	1	126,152	85,835	96,914	58,718	65,333	65,333	-	63,376	83,632	104,400
	Other current investments > 90 days		-	(0)	-	0	(6,616)	(6,616)	-	(0)	-	-
	Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:			126,152	85,835	96,914	58,718	58,718	58,718	-	63,376	83,632	104,400
Application of cash and investments												
	Unspent conditional transfers		3,032	5,064	-	-	-	-	-	-	-	-
	Unspent borrowing		-	-	-	-	-	-	-	-	-	-
	Statutory requirements	2										
	Other working capital requirements	3	9,771	25,421	12,975	(599)	(580)	(580)	-	(4,417)	2,330	12,146
	Other provisions											
	Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
	Reserves to be backed by cash/investments	5										
Total Application of cash and investments:			12,803	30,485	12,975	(599)	(580)	(580)	-	(4,417)	2,330	12,146
Surplus(shortfall)			113,350	55,350	83,939	59,317	59,298	59,298	-	67,793	81,302	92,254

The table above shows the budgeted cash reserves and these are based on the current cash reserves in the municipality. As indicated by the table, there is a need to ensure that these reserves are preserved and built up again. This is after these reserves have been made available for infrastructure development within the municipality.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	23,551	21,959	13,506
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	23,551	21,959	13,506
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	4,415	500	-	-	-	80	84	88
Vote 3 - Corporate Service		2,091	9,862	-	4,132	3,882	3,882	-	4,460	4,683	4,917
Vote 4 - Development Planning		-	-	-	792	602	602	-	400	420	441
Vote 5 - Community Services		3,061	3,010	-	1,608	1,094	1,094	-	2,468	1,988	2,087
Vote 6 - Engineering Services		63,184	145,779	95,103	45,351	111,671	111,671	-	84,243	52,361	72,559
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68,337	158,651	99,518	52,383	117,250	117,250	-	91,651	59,537	80,093
Total Capital Expenditure - Vote		68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600

Table 12 2017/18 Medium-term capital budget by vote, functional classification and funding

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	23,551	21,959	13,506
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	23,551	21,959	13,506
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	4,415	500	-	-	-	80	84	88
Vote 3 - Corporate Service		2,091	9,862	-	4,132	3,882	3,882	-	4,460	4,683	4,917
Vote 4 - Development Planning		-	-	-	792	602	602	-	400	420	441
Vote 5 - Community Services		3,061	3,010	-	1,608	1,094	1,094	-	2,468	1,988	2,087
Vote 6 - Engineering Services		63,184	145,779	95,103	45,351	111,671	111,671	-	84,243	52,361	72,559
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68,337	158,651	99,518	52,383	117,250	117,250	-	91,651	59,537	80,093
Total Capital Expenditure - Vote		68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600
Capital Expenditure - Functional											
Governance and administration		2,091	9,862	4,415	4,632	3,882	3,882	-	4,876	5,120	5,376
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2,091	9,862	4,415	4,632	3,882	3,882	-	4,876	5,120	5,376
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		2,834	-	-	1,008	744	744	-	800	551	579
Community and social services		2,834	-	-	767	615	615	-	-	551	579
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	242	130	130	-	800	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		48,157	111,554	70,198	44,843	46,940	46,940	-	68,513	50,055	52,837
Planning and development		-	-	-	792	602	602	-	36,377	23,321	13,947
Road transport		48,157	111,554	70,196	43,851	46,338	46,338	-	32,036	26,630	38,780
Environmental protection		-	-	-	-	-	-	-	100	105	110
Trading services		15,255	37,238	24,907	2,100	65,683	65,683	-	41,013	25,769	34,807
Energy sources		15,027	34,225	24,907	1,500	65,333	65,333	-	40,281	25,000	34,000
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		227	3,010	-	600	350	350	-	732	769	807
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600
Funded by:											
National Government		58,717	67,644	54,540	43,851	43,851	43,851	-	76,719	74,320	86,066
Provincial Government		-	-	-	-	29,700	29,700	-	21,681	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	58,717	67,644	54,540	43,851	73,551	73,551	-	98,400	74,320	86,066
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	8,983	17,067	-	34,133	34,133	-	-	-	-
Internally generated funds		9,619	82,024	27,911	8,532	9,565	9,565	-	16,802	7,175	7,534
Total Capital Funding	7	68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600

For the 2017/18 Annual budget, there is a decrease in the capital budget of the municipality. This accounts for about R115 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities, INEP for electrification and a further grant from the Eastern Cape Province to assist in fast tracking electrification of villages without electricity. A portion of the INEP grant will be utilized to settle the DBSA Loan as per the front loading agreement.

1.7 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

EC443 Mbizana - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	9,975	15,554	16,511	21,057	21,057	21,057	-	22,342	23,660	25,032
Service charges	18,381	18,631	21,842	26,742	29,874	29,874	-	31,546	33,379	35,207
Investment revenue	5,718	7,619	6,028	5,805	5,805	5,805	-	6,159	6,522	6,900
Transfers recognised - operational	131,992	151,593	189,891	181,993	183,100	183,100	-	204,939	233,353	243,613
Other own revenue	5,598	5,730	8,233	7,235	7,235	7,235	-	7,677	8,130	8,601
Total Revenue (excluding capital transfers and contributions)	171,664	199,128	242,504	242,833	247,071	247,071	-	272,663	305,044	319,354
Employee costs	47,932	59,634	71,790	87,843	84,786	84,786	-	107,442	111,025	116,576
Remuneration of councillors	15,910	17,895	18,956	23,186	20,234	20,234	-	21,502	22,577	23,706
Depreciation & asset impairment	32,807	38,360	37,992	39,400	39,400	39,400	-	46,011	48,311	50,727
Finance charges	465	456	547	1,500	1,500	1,500	-	1,575	1,653	1,736
Materials and bulk purchases	20,812	22,310	24,528	27,712	28,984	28,984	-	32,185	34,733	37,484
Transfers and grants	788	-	-	3,881	4,881	4,881	-	11,209	11,770	12,358
Other expenditure	64,844	73,237	183,274	92,079	98,920	98,920	-	81,585	93,605	98,288
Total Expenditure	183,557	211,892	337,088	275,601	278,704	278,704	-	301,509	323,675	340,875
Surplus/(Deficit)	(11,893)	(12,764)	(94,583)	(32,768)	(31,633)	(31,633)	-	(28,846)	(18,631)	(21,521)
Transfers and subsidies - capital (monetary allocated)	63,981	67,644	69,511	68,851	98,551	98,551	-	113,800	74,320	86,066
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	52,088	54,880	(25,073)	36,083	66,918	66,918	-	84,954	55,689	64,545
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	52,088	54,880	(25,073)	36,083	66,918	66,918	-	84,954	55,689	64,545
Capital expenditure & funds sources										
Capital expenditure	68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600
Transfers recognised - capital	58,717	67,644	54,540	43,851	73,551	73,551	-	98,400	74,320	86,066
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	8,983	17,067	-	34,133	34,133	-	-	-	-
Internally generated funds	9,619	82,024	27,911	8,532	9,565	9,565	-	16,802	7,175	7,534
Total sources of capital funds	68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600
Financial position										
Total current assets	143,229	121,131	142,054	71,217	71,217	71,217	-	91,294	105,973	122,458
Total non current assets	504,803	607,451	581,826	555,352	620,218	620,218	-	687,627	720,521	763,494
Total current liabilities	35,018	64,194	68,540	32,084	28,083	28,083	-	20,832	22,784	29,283
Total non current liabilities	5,592	4,301	20,325	6,151	6,151	6,151	-	6,766	7,442	8,187
Community wealth/Equity	607,423	660,088	635,015	588,334	657,201	657,201	-	751,324	796,268	848,481
Cash flows										
Net cash from (used) operating	76,970	108,357	79,197	80,783	110,669	110,669	-	128,644	101,752	114,367
Net cash from (used) investing	(68,337)	(157,657)	(99,535)	(52,383)	(117,250)	(117,250)	-	(115,202)	(81,495)	(93,600)
Net cash from (used) financing	-	8,983	31,417	(25,000)	(25,001)	(25,001)	-	(15,399)	-	-
Cash/cash equivalents at the year end	126,152	85,835	96,914	58,718	65,333	65,333	-	63,376	83,632	104,400
Cash backing/surplus reconciliation										
Cash and investments available	126,152	85,835	96,914	58,718	58,718	58,718	-	63,376	83,632	104,400
Application of cash and investments	12,803	30,485	12,975	(599)	(580)	(580)	-	(4,417)	2,330	12,146
Balance - surplus (shortfall)	113,350	55,350	83,939	59,317	59,298	59,298	-	67,793	81,302	92,254
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	687,627	687,627	720,521	763,494
Depreciation	-	-	-	-	-	-	46,011	46,011	48,311	50,727
Renewal of Existing Assets	-	-	-	-	-	-	-	7,370	2,630	-
Repairs and Maintenance	-	-	-	-	-	-	5,807	5,807	14,498	15,223
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	150	150	187	306
Revenue cost of free services provided	-	-	-	-	-	-	429	429	453	478
Households below minimum service level										
Water	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy	3	-	6	6	6	6	6	6	6	6
Refuse:	48	-	48	48	48	48	48	48	48	48

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cash flows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

EC443 Mbizana - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	231,376	263,799	275,832
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	231,376	263,799	275,832
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	424	449	474
Community and social services		-	-	-	-	-	-	424	449	474
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	65,230	56,207	59,346
Planning and development		-	-	-	-	-	-	102	108	114
Road transport		-	-	-	-	-	-	65,128	56,099	59,232
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	89,458	58,966	69,936
Energy sources		-	-	-	-	-	-	85,593	56,677	67,515
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	3,865	2,289	2,421
<i>Other</i>	4	-	-	-	-	-	-	123	130	138
Total Revenue - Functional	2	-	-	-	-	-	-	386,612	379,551	405,726
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	188,427	197,849	207,741
Executive and council		-	-	-	-	-	-	54,571	57,299	60,164
Finance and administration		-	-	-	-	-	-	130,744	137,282	144,146
Internal audit		-	-	-	-	-	-	3,112	3,268	3,432
<i>Community and public safety</i>		-	-	-	-	-	-	13,604	14,286	15,003
Community and social services		-	-	-	-	-	-	10,991	11,543	12,123
Sport and recreation		-	-	-	-	-	-	584	613	644
Public safety		-	-	-	-	-	-	948	996	1,045
Housing		-	-	-	-	-	-	1,080	1,134	1,191
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	37,176	46,973	49,321
Planning and development		-	-	-	-	-	-	18,758	19,234	20,196
Road transport		-	-	-	-	-	-	16,414	25,634	26,916
Environmental protection		-	-	-	-	-	-	2,004	2,104	2,210
<i>Trading services</i>		-	-	-	-	-	-	60,114	62,270	66,398
Energy sources		-	-	-	-	-	-	43,829	46,959	50,322
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	16,286	15,311	16,076
<i>Other</i>	4	-	-	-	-	-	-	2,187	2,297	2,412
Total Expenditure - Functional	3	-	-	-	-	-	-	301,509	323,675	340,875
Surplus/(Deficit) for the year		-	-	-	-	-	-	85,104	55,876	64,851

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

The above table shows the allocations made by the municipality to the different classes or functions within the municipality and the contributions that will be made per standard class. It is pleasing to note that the table shows that the municipality's bigger share is allocated to service deliver functions as well as governance and administration. These are complementary in nature hence the allocations.

Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive & Council		281	-	-	-	532	532	-	-	-
Vote 2 - Budget & Treasury		147,640	172,896	209,138	207,349	207,757	207,757	231,157	263,566	275,586
Vote 3 - Corporate Service		291	195	237	207	207	207	220	233	246
Vote 4 - Development Planning		699	279	149	680	680	680	218	231	244
Vote 5 - Community Services		5,015	4,911	9,253	6,762	6,929	6,929	7,799	6,454	6,828
Vote 6 - Engineering Services		81,720	88,504	93,237	96,685	129,517	129,517	147,219	109,068	122,822
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	235,645	266,784	312,015	311,684	345,622	345,622	386,612	379,551	405,726
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		43,510	51,011	55,781	65,131	62,159	62,159	67,426	70,797	74,337
Vote 2 - Budget & Treasury		51,708	65,394	81,451	63,438	63,584	63,584	68,840	72,281	75,896
Vote 3 - Corporate Service		18,599	23,343	29,423	38,223	40,530	40,530	45,223	47,485	49,859
Vote 4 - Development Planning		5,828	7,674	12,743	14,745	15,094	15,094	15,546	16,324	17,140
Vote 5 - Community Services		22,900	26,362	36,973	41,967	45,005	45,005	54,871	55,828	58,622
Vote 6 - Engineering Services		41,012	38,119	120,717	52,097	52,333	52,333	49,603	60,960	65,023
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	183,557	211,904	337,088	275,601	278,704	278,704	301,509	323,675	340,875
Surplus/(Deficit) for the year	2	52,088	54,880	(25,073)	36,083	66,918	66,918	85,104	55,876	64,851

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality.

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

EC443 Mbizana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source												
Property rates	2		9,975	15,554	16,511	21,057	21,057	21,057	-	22,342	23,660	25,032
Service charges - electricity revenue	2		17,270	17,598	20,805	24,731	27,862	27,862	-	29,412	31,119	32,816
Service charges - water revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2		1,035	1,033	1,008	2,001	2,001	2,001	-	2,123	2,249	2,379
Service charges - other			76		29	10	10	10		11	12	12
Rental of facilities and equipment			809	609	608	721	721	721		765	811	858
Interest earned - external investments			5,718	7,619	6,028	5,805	5,805	5,805		6,159	6,522	6,900
Interest earned - outstanding debtors			495	968	2,415	1,673	1,673	1,673		1,775	1,880	1,989
Dividends received			-				-					
Fines, penalties and forfeits			630	1,271	1,659	775	775	775		823	871	922
Licences and permits			1,203	1,823	2,442	2,236	2,236	2,236		2,372	2,512	2,658
Agency services			553			814	814	814		863	914	967
Transfers and subsidies			131,992	151,593	189,891	181,993	183,100	183,100		204,939	233,353	243,613
Other revenue	2		1,908	1,059	1,109	1,016	1,016	1,016	-	1,078	1,142	1,208
Gains on disposal of PPE												
Total Revenue (excluding capital transfers and contributions)			171,664	199,128	242,504	242,833	247,071	247,071	-	272,663	305,044	319,354
Expenditure By Type												
Employee related costs	2		47,932	59,634	71,790	87,843	84,786	84,786	-	107,442	111,025	116,576
Remuneration of councillors			15,910	17,895	18,956	23,186	20,234	20,234		21,502	22,577	23,706
Debt impairment	3		3,071	3,480	4,569	1,900	1,900	1,900		1,995	2,095	2,199
Depreciation & asset impairment	2		32,807	38,360	37,992	39,400	39,400	39,400	-	46,011	48,311	50,727
Finance charges			465	456	547	1,500	1,500	1,500		1,575	1,653	1,736
Bulk purchases	2		20,812	22,310	24,528	27,712	28,984	28,984	-	31,303	33,807	36,512
Other materials	8									882	926	972
Contracted services			-	-	-	-	-	-	-	35,119	39,878	38,724
Transfers and subsidies			788	-	-	3,881	4,881	4,881	-	11,209	11,770	12,358
Other expenditure	4, 5		61,773	69,757	178,705	90,179	97,020	97,020	-	44,471	51,633	57,364
Loss on disposal of PPE												
Total Expenditure			183,557	211,892	337,088	275,601	278,704	278,704	-	301,509	323,675	340,875
Surplus/(Deficit)			(11,893)	(12,764)	(94,583)	(32,768)	(31,633)	(31,633)	-	(28,846)	(18,631)	(21,521)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			63,981	67,644	69,511	68,851	98,551	98,551		113,800	74,320	86,066
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)												
Surplus/(Deficit) after capital transfers & contributions			52,088	54,880	(25,073)	36,083	66,918	66,918	-	84,954	55,689	64,545
Taxation												
Surplus/(Deficit) after taxation			52,088	54,880	(25,073)	36,083	66,918	66,918	-	84,954	55,689	64,545
Attributable to minorities												
Surplus/(Deficit) attributable to municipality			52,088	54,880	(25,073)	36,083	66,918	66,918	-	84,954	55,689	64,545
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year			52,088	54,880	(25,073)	36,083	66,918	66,918	-	84,954	55,689	64,545

Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

EC443 Mbizana - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	23,551	21,959	13,506
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	23,551	21,959	13,506
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	4,415	500	-	-	-	80	84	88
Vote 3 - Corporate Service		2,091	9,862	-	4,132	3,882	3,882	-	4,460	4,683	4,917
Vote 4 - Development Planning		-	-	-	792	602	602	-	400	420	441
Vote 5 - Community Services		3,061	3,010	-	1,608	1,094	1,094	-	2,468	1,988	2,087
Vote 6 - Engineering Services		63,184	145,779	95,103	45,351	111,671	111,671	-	84,243	52,361	72,559
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		68,337	158,651	99,518	52,383	117,250	117,250	-	91,651	58,537	60,093
Total Capital Expenditure - Vote		68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600
Capital Expenditure - Functional											
Governance and administration		2,091	9,862	4,415	4,632	3,882	3,882	-	4,876	5,120	5,376
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2,091	9,862	4,415	4,632	3,882	3,882	-	4,876	5,120	5,376
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		2,834	-	-	1,008	744	744	-	800	551	579
Community and social services		2,834	-	-	767	615	615	-	-	551	579
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	242	130	130	-	800	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		48,157	111,554	70,196	44,643	46,940	46,940	-	68,513	50,055	52,837
Planning and development		-	-	-	792	602	602	-	36,377	23,321	13,947
Road transport		48,157	111,554	70,196	43,851	46,338	46,338	-	32,036	26,630	38,780
Environmental protection		-	-	-	-	-	-	-	100	105	110
Trading services		15,255	37,238	24,907	2,100	65,683	65,683	-	41,013	25,769	34,807
Energy sources		15,027	34,225	24,907	1,500	65,333	65,333	-	40,281	25,000	34,000
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		227	3,010	-	600	350	350	-	732	769	807
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600
Funded by:											
National Government		58,717	67,644	54,540	43,851	43,851	43,851	-	76,719	74,320	86,066
Provincial Government		-	-	-	-	29,700	29,700	-	21,681	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	58,717	67,644	54,540	43,851	73,551	73,551	-	98,400	74,320	86,066
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	8,983	17,067	-	34,133	34,133	-	-	-	-
Internally generated funds		9,619	82,024	27,911	8,532	9,565	9,565	-	16,802	7,175	7,534
Total Capital Funding	7	68,337	158,651	99,518	52,383	117,250	117,250	-	115,202	81,495	93,600

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source

The table above shows capital expenditure by vote and functional classification as well as funding for the expenditure forecasted.

This shows how the municipality's capital budget funding is highly dependent on grant funding. There is also a portion on the funding of electricity infrastructure that will be going to the repayment of the front loading arrangement that was made for the year under implementation. This reduces the amount available for capital budget funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

EC443 Mbizana - Table A6 Budgeted Financial Position

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS												
Current assets												
Cash			2,988	2,269	4,708	2,988	2,988	2,988		2,241	2,465	4,191
Call investment deposits		1	123,164	83,566	92,206	55,729	55,729	55,729	-	61,134	81,167	100,209
Consumer debtors		1	13,209	3,606	24,586	8,826	8,826	8,826	-	15,214	10,907	7,712
Other debtors			1,191	29,230	18,569	1,592	1,592	1,592		11,141	10,027	9,025
Current portion of long-term receivables			1,720	1,593	1,406	1,617	1,617	1,617		1,237	1,114	1,058
Inventory		2	957	867	579	465	465	465		326	293	264
Total current assets			143,229	121,131	142,054	71,217	71,217	71,217	-	91,294	105,973	122,458
Non current assets												
Long-term receivables												
Investments												
Investment property			6,356	6,356	6,626	8,297	8,297	8,297		6,957	7,374	8,112
Investment in Associate												
Property, plant and equipment		3	498,442	598,499	573,120	544,842	609,708	609,708	-	678,900	712,084	754,957
Agricultural												
Biological												
Intangible		5		2,596	2,081	2,213	2,213	2,213		1,771	1,062	425
Other non-current assets												
Total non current assets			504,803	607,451	581,826	555,352	620,218	620,218	-	687,627	720,521	763,494
TOTAL ASSETS			648,032	728,582	723,880	626,568	691,435	691,435	-	778,922	826,494	885,952
LIABILITIES												
Current liabilities												
Bank overdraft		1										
Borrowing		4	-	8,983	23,850	19,400	15,399	15,399	-	-	-	-
Consumer deposits			420	434	441	439	439	439		263	158	142
Trade and other payables		4	34,395	52,727	43,125	10,175	10,175	10,175	-	19,332	21,265	27,644
Provisions			203	2,050	1,125	2,070	2,070	2,070		1,237	1,361	1,497
Total current liabilities			35,018	64,194	68,540	32,084	28,083	28,083	-	20,832	22,784	29,283
Non current liabilities												
Borrowing			-	-	16,550	-	-	-	-	-	-	-
Provisions			5,592	4,301	3,775	6,151	6,151	6,151	-	6,766	7,442	8,187
Total non current liabilities			5,592	4,301	20,325	6,151	6,151	6,151	-	6,766	7,442	8,187
TOTAL LIABILITIES			40,610	68,494	88,865	38,234	34,234	34,234	-	27,598	30,226	37,470
NET ASSETS			607,423	660,088	635,015	588,334	657,201	657,201	-	751,324	796,268	848,481
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			607,423	660,088	635,015	532,604	601,471	601,471		690,189	715,101	748,272
Reserves		4	-	-	-	55,729	55,729	55,729	-	61,134	81,167	100,209
TOTAL COMMUNITY WEALTH/EQUITY			607,423	660,088	635,015	588,334	657,201	657,201	-	751,324	796,268	848,481

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

EC443 Mbizana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and Investments available											
Cash/cash equivalents at the year end	1	126,152	85,835	96,914	58,718	65,333	65,333	-	63,376	83,632	104,400
Other current investments > 90 days		-	(0)	-	0	(6,616)	(6,616)	-	(0)	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and Investments available:		126,152	85,835	96,914	58,718	58,718	58,718	-	63,376	83,632	104,400
Application of cash and investments											
Unspent conditional transfers		3,032	5,064	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	9,771	25,421	12,975	(599)	(580)	(580)	-	(4,417)	2,330	12,146
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and Investments:		12,803	30,485	12,975	(599)	(580)	(580)	-	(4,417)	2,330	12,146
Surplus(shortfall)		113,350	55,350	83,939	59,317	59,298	59,298	-	67,793	81,302	92,254

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The above table shows how the municipality's funding will be applied and the targets set for cash backed reserves over the medium. This is informed by anticipated year end targets as well as the plans to be implemented over the medium-term, especially on the revenue management, debt collection as well as expenditure management.

Table 19 MBRR Table A7 – Budgeted Cash Flows

EC443 Mbizana - Table A7 Budgeted Cash Flows

2015/16 - Table A: Budgeted Cash Flows											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		7,247	5,499	5,157	24,616	24,616	24,616		18,991	20,111	22,529
Service charges		22,310	16,776	21,842	26,742	29,874	29,874		31,122	33,042	34,969
Other revenue		4,536	4,762	5,548	5,563	5,563	5,563		5,363	5,793	6,250
Government - operating	1	145,197	153,625	185,410	204,685	179,685	179,685		204,939	233,353	243,513
Government - capital	1	60,297	67,644	71,883	46,159	100,859	100,859		113,800	74,320	86,066
Interest		6,213	8,588	8,443	7,478	7,478	7,478		7,934	8,402	8,889
Dividends									-	-	-
Payments											
Suppliers and employees		(168,365)	(148,082)	(215,082)	(229,078)	(231,024)	(231,024)		(240,719)	(259,846)	(273,855)
Finance charges		(465)	(456)	(547)	(1,500)	(1,500)	(1,500)		(1,575)	(1,653)	(1,736)
Transfers and Grants	1		-	(3,455)	(3,881)	(4,881)	(4,881)		(11,209)	(11,770)	(12,358)
NET CASH FROM/(USED) OPERATING ACTIVITIES		76,970	108,357	79,197	80,783	110,669	110,669	-	128,644	101,752	114,367
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			978	110					-	-	-
Decrease (increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(68,337)	(158,635)	(99,645)	(52,383)	(117,250)	(117,250)		(115,202)	(81,495)	(93,600)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(68,337)	(157,657)	(99,535)	(52,383)	(117,250)	(117,250)	-	(115,202)	(81,495)	(93,600)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			8,983	23,850					-	-	-
Borrowing long term/refinancing				24,526					-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing				(16,959)	(25,000)	(25,001)	(25,001)		(15,399)	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	8,983	31,417	(25,000)	(25,001)	(25,001)	-	(15,399)	-	-
NET INCREASE/(DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	8,634	(40,317)	11,079	3,400	(31,581)	(31,581)	-	(1,958)	20,257	20,768
Cash/cash equivalents at the year end:	2	117,519	126,152	85,835	55,317	96,914	96,914		65,333	83,376	83,632
Cash/cash equivalents at the year end:	2	126,152	85,835	96,914	58,718	65,333	65,333	-	63,376	83,632	104,400

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Mbizana - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets										
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min service level)		200	-	200	200	200	200	287	350	500
Electricity - prepaid (min service level)		18 683	-	22 346	22 346	22 346	22 346	22 346	22 346	22 346
<i>Minimum Service Level and Above sub-total</i>		18 883	-	22 546	22 546	22 546	22 546	22 633	22 696	22 846
Electricity (< min service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)		-	-	-	-	-	-	-	-	-
Other energy sources		3 000	-	6 000	6 000	6 000	6 000	6 000	6 000	6 000
<i>Below Minimum Service Level sub-total</i>		3 000	-	6 000	6 000	6 000	6 000	6 000	6 000	6 000
Total number of households	5	21 883	-	28 546	28 546	28 546	28 546	28 633	28 696	28 846
Refuse:										
Removed at least once a week		700	-	800	800	800	800	800	800	800
<i>Minimum Service Level and Above sub-total</i>		700	-	800	800	800	800	800	800	800
Removed less frequently than once a week		100	-	157	157	157	157	157	157	157
Using communal refuse dump		242	-	250	250	250	250	250	250	250
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		1	-	3	3	3	3	3	3	3
No rubbish disposal		47 647	-	47 480	47 480	47 480	47 480	47 480	47 480	47 480
<i>Below Minimum Service Level sub-total</i>		47 990	-	47 890	47 890	47 890	47 890	47 890	47 890	47 890
Total number of households	5	48 690	-	48 690	48 690	48 690	48 690	48 690	48 690	48 690
Households receiving Free Basic Service	7									
Water (6 kilolitre per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	287	350	500
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitre per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	150	187	306
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	150	187	306
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitre per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitre per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	429	453	478
Water (in excess of 6 kilolitre per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	-	-	-	429	453	478

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

A budget and IDP process plan was tabled to the municipal council 10 months before the start of the 2017/18 financial year as required by the Municipal Finance Management Act. The process plan sets out a road map with timeframes and tasks clearly set with responsible officials or institutions. The process plan in part of the IDP document and efforts have been made to ensure that these timelines are adhered to the latter. The process involves the consultation with the communities which was done during November and December 2016. These consultations inform the inputs into the IDP and the Budget.

A draft budget was tabled to council before 31 March 2017. Inputs were then sought from all stakeholders within the communities and therefore community consultations were carried out in May 2017. The final budget adoption will have to take into consideration these inputs.

Other inputs were received from the Provincial Treasury after having received the draft, and an engagement between the Provincial Treasury and the Municipality took place. A review document was produced by the Provincial Treasury and concerns raised in this document and the engagement have been, as far as possible, taken into consideration in the final compilation.

2.2 Overview of budget related-policies

The budget preparation process cannot be separated from the review of related policies that enable the implementation of the budget. The following is a brief look at the budget related policies and where applicable, changes that have been proposed during the budget review:-

2.2.1 Review of credit control and debt collection policy

- It is vital to the long term financial viability of the Mbizana Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, a municipality:
- must collect all money that is due and payable to it subject to this Act and any other applicable legislation; and
- For this purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors mechanisms must be maintained. The services provided by the Mbizana Local Municipality include electricity, refuse removal and other municipal services.

2.2.2 Supply Chain Management Policy

The SCM policy aims to ensure that Mbizana Local Municipality procures goods and services in a manner that is efficient, timely and cost-effective, ensures customer satisfaction, pursues socio-economic objectives through a preference system and demonstrates compliance with the constitution and all relevant legislation.

A few changes have been proposed to the SCM Policy and these have been necessitated mainly by changes introduced by the National Treasury as well as the South African Revenue Services.

Central Supplier Database: The National Treasury has introduced a requirement that all service provider purporting to do business with government institutions must be registered in a

central database maintained by the National Treasury. Important information that relates to the registration of all companies and compliance with various requirements of various institutions is monitored through this database. Our policy should therefore make reference to this.

SARS Pin: The SARS has in the past made use of the tax clearance certificate, valid for a year, to confirm the good standing of companies that do business with the municipality. All companies have now been issued with a SARS pin which enables organs of state to directly enquire on the status of the companies at any given time. This has made the submission of the tax certificate not compulsory, but that of the SARS Pin. This development must again be reflected in the SCM policy of the municipality.

Preferential Procurement Regulations, 2017: The Minister of Finance, in terms of section 5 of the Preferential Procurement Policy Framework Act, 2000, made the regulations set out in the schedule, and issued in terms of a government gazette in January 2017. The Preferential Procurement Regulations 2017 therefore set out a number of regulations that must be implemented by all organs of the state from April 01, 2017. Some of the regulations set out affect the municipality's Supply Chain Management policy, and as such the policy must be amended to give effect to those.

The following are some of the major changes that the regulations present:-

- **Pre-qualification criteria for preferential procurement:** Where an organ of state decides to apply pre-qualification criteria to advance certain designated groups, an organ of state must advertise the tender with specific tendering condition that one or more of the type of tenderers may respond. These include amongst others:-
 - A tenderer having a stipulated minimum B-BBEE status level of contributor;
 - An EME (exempt micro enterprise) or QSE (qualifying small business);
 - A tenderer subcontracting a minimum of 30% to:-
 - An EME or QSE which is at least 51% owned by black people;
 - An EME or QSE which is at least 51% owned by black people who are youth;
 - An EME or QSE which is at least 51% owned by black people who are women; and a number of other criteria as stated in the regulations.
- **80/20 preference point system for acquisition of goods or services for Rand value equal to or above R30 000 and up to R50 million:** This point scoring system is now applicable to all procurement from R30 000 to R50 million where as it before only up to R1 million.
- **90/10 preference point system for acquisition of goods or services for Rand value above R50 million:** The point scoring system that used to be applicable from the Rand value of R1 million is now only applicable from a Rand value of more than R50 million.
- **Subcontracting after award of tender:** The regulations make specific considerations relating to subcontracting after the award and the following points are important:
 - A person awarded a contract may only enter into a subcontracting arrangement with the approval of the state;
 - A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

2.2.3 Budget Policy

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget, and
- To establish and maintain procedures to ensure adherence to Mbizana's IDP review and budget processes.

This policy also needs to see a number of changes which are necessitated by the introduction of mSCOA. The various segments introduced with mSCOA have meant that the levels of authority cannot be left unchanged as some transfers and virements require a higher level of authorization, up to a level where council must take a decision.

2.2.4 Cash Management and Investment Policy

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Effective cash management and competitive investment ensures both short-term and long-term viability and sustainability of the municipality. Hence, it is critical for the Mbizana Local Municipality to have its own Cash Management and Investment Policy located within the local government legislative framework.

The primary and ultimate goal of the investment of funds is to secure the safety, integrity and wholeness of the invested capital, managing liquidity requirements and ensuring the earning of the highest possible return on invested capital at minimum risk (i.e. whilst not risking the partial or total loss of invested capital), within the parameters of authorised instruments as per the MFMA.

2.2.5 Tariff Policies

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

2.2.6 Property rates policy

This policy guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

2.2.7 Asset management policy

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for Assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality; and
- Optimizes asset usage.

During the review it was identified that the Asset Management committee did not include the councilors responsible for asset management and this was the proposed change to the policy.

2.2.8 SCM Policy for Infrastructure Procurement and Delivery Management

The National Treasury issued a circular in October 2015 in relation to the introduction of this policy. The intention of the circular was to a policy that would enable a municipality to separate the supply chain management requirements for general goods and services from those for infrastructure delivery. The infrastructure delivery encompasses a whole range of competencies including planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

The circular has two attachments or annexures to it, which are,

- Model SCM Policy for Infrastructure Procurement and Delivery Management; and
- National Treasury Standard for Infrastructure Procurement and Delivery Management (SIPDM)

The model SCM Policy is intended to give a guide to the municipality as to what the contents of the policy should be, while the Standard for Infrastructure provides standards that must be complied with in the implementation of the policy.

Council must then consider the model policy, make its own inputs and approve it for implementation from July 01, 2017.

The policy is structured in the following way:-

General Requirements

- Delegations
- Implementation of SIPDM
- Supervision of the Infrastructure delivery management unit – BTO and ES
- Objections and Complaints
- Resolution of Disputes

Control Framework

- Gateway reviews
- General
- Stages and End-of-Stages deliverables

Infrastructure Delivery Management

- Institutional arrangements
- Acquisition management
- Reporting

Infrastructure Procurement

- Procurement Documents
- Developmental procurement policy
- Payment of creditors
- Approval to utilize specific procurement procedures
- Receipt and safeguarding of submissions
- Opening of submission

Table 2		
Stage		End-of-Stage deliverables
No.	Name	
0	Project Initiation	An initiation report which outlines the high-level business case together with the estimated project cost and proposed schedule for a single project or a group of projects having a similar high-level scope
1	Infrastructure Planning	An infrastructure plan which identifies and prioritizes projects and packages against a forecasted budget over a period of at least five years
2	Strategic Resourcing	A delivery and/or procurement strategy which, for a portfolio of projects, identifies the delivery strategy in respect of each project or package and, where

			needs are met through own procurement system, a procurement strategy
3	Pre-feasibility		A prefeasibility report which determines whether or not it is worthwhile to proceed to the feasibility stage
	Preparation and brief		A strategic brief which defines project objectives, needs, acceptance criteria and client priorities and aspirations, and which sets out the basis for the development of the concept report for one or more packages
4	Feasibility		A feasibility report which presents sufficient information to determine whether or not the project should be implemented
	Concept and viability		A concept report which establishes the detailed brief, scope, scale, form and control budget, and sets out the integrated concept for one or more packages
5	Design Development		A design development report which develops in detail the approved concept to finalize the design and definition criteria, sets out the integrated developed design, and contains the cost plan and schedule for one or more packages
6	Design Documentation	6A Production information	Production information which provides the detailing, performance definition, specification, sizing and positioning of all systems and components enabling either construction (where the constructor is able to build directly from the information prepared) or the production of manufacturing and installation information for construction
		6B Manufacture, fabrication and construction information	Manufacture, fabrication and construction information produced by or on behalf of the constructor, based on the production information provided for a

		package which enables manufacture, fabrication or construction to take place
7	Works	Completed works which are capable of being occupied or used
8	Handover	Works which have been taken over by the user or owner complete with record information
9	Package Completion	Works with notified defects corrected, final account settled and the close out report issued

2.3 Overview of budget assumptions

The budget compilation has been driven by a few assumptions based on the information available to the municipality. As indicated in the earlier paragraphs, the MFMA Treasury Budget Circulars have been used as a basis for the assumptions made. The inflationary outlook as per the circulars is as follows:

Fiscal year	2016/17 Estimate	2017/18	2018/19 Forecast	2019/20 Forecast
Consumer Price Inflation – CPI	6.4%	6,4%	5,7%	5,6%

The National Energy Regulator of South Africa has indicated a proposed increase at about 1.88% for Eskom and it doesn't seem likely that any different would be approved for the municipalities. This assumption was therefore applied in the adjustment of tariffs.

The employee related costs had been negotiated and 2017/18 sees the last year of the implementation of that agreement. The budgetary provision of the 2017/18 financial year should then be provided for as follows:-

- 2017/18 Fin Year – average CPI + 1%

2.4 Councilor and employee benefits

Table 21 MBRR SA22 - Summary of councilor and staff benefits

EC443 Mbizana - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councilor remuneration R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		11,157	11,967	12,101	14,046	13,410		12,237	12,848	13,491
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Motor Vehicle Allowance		3,448	3,839	4,273	6,424	4,565		4,888	5,132	5,389
Cellphone Allowance		899	1,323	1,329	1,426	1,346		1,445	1,517	1,593
Housing Allowances						-				
Other benefits and allowances		834	767	1,253	1,289	913		2,933	3,079	3,233
Sub Total - Councillors		16,338	17,895	18,956	23,186	20,234	-	21,502	22,577	23,706
% Increase	4		9.5%	5.9%	22.3%	(12.7%)	(100.0%)	-	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3,392	4,248	4,371	4,262	4,262		4,577	4,916	5,280
Pension and UIF Contributions						-				
Medical Aid Contributions						-				
Overtime						-				
Performance Bonus						-				
Motor Vehicle Allowance	3	528		1,259		-				
Cellphone Allowance	3				190	190		204	219	235
Housing Allowances	3					-				
Other benefits and allowances	3		2,184	892	2,184	2,184		2,345	2,519	2,705
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Senior Managers of Municipality		3,921	6,432	6,522	6,635	6,635	-	7,126	7,654	8,220
% Increase	4		64.0%	1.4%	1.7%	-	(100.0%)	-	7.4%	7.4%
Other Municipal Staff										
Basic Salaries and Wages		34,452	33,640	46,585	52,108	53,625		67,417	68,889	72,215
Pension and UIF Contributions		2,712	3,402	4,462	6,032	4,972		6,295	6,609	6,940
Medical Aid Contributions		1,366	2,572	3,252	3,858	3,305		4,751	4,989	5,238
Overtime		455	388	411	761	1,115		1,171	1,229	1,291
Performance Bonus				-		-		-	-	-
Motor Vehicle Allowance	3	2,208	4,407	4,872	7,534	5,640		8,301	8,716	9,151
Cellphone Allowance	3	410	530	620	630	244		432	449	466
Housing Allowances	3	1,564	2,132	2,435	3,131	2,774		3,645	3,827	4,018
Other benefits and allowances	3	4,203	6,131	2,631	7,154	6,476		8,305	8,664	9,037
Payments in lieu of leave						-				
Long service awards						-				
Post-retirement benefit obligations	6					-				
Sub Total - Other Municipal Staff		47,369	53,202	65,268	81,208	78,151	-	100,315	103,371	108,356
% Increase	4		12.3%	22.7%	24.4%	(3.8%)	(100.0%)	-	3.0%	4.8%
Total Parent Municipality		67,628	77,529	90,746	111,029	105,019	-	128,944	133,602	140,282

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	406,401	67,734	226,509			700,644
Chief Whip		1	381,002	63,500	213,810			658,312
Executive Mayor		1	508,001	84,667	277,309			869,978
Deputy Executive Mayor		-						-
Executive Committee		10	3,615,369	602,360	2,040,169			6,257,898
Total for all other councillors		48	7,325,856	2,114,418	3,575,157			13,015,432
Total Councillors	8	61	12,236,630	2,932,679	6,332,954			21,502,263
Senior Managers of the Municipality	5							
Municipal Manager (MM)			886,942		663,689			1,550,632
Chief Finance Officer			720,321		564,390			1,284,711
Senior Manager - Engineering			720,321		564,390			1,284,711
Senior Manager - Corporate Services			720,321		564,390			1,284,711
Senior Manager - Community Services			720,321		564,390			1,284,711
Senior Manager - Development Planning			720,321		564,390			1,284,711
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	4,468,548	-	3,485,640	-		7,974,188

2.5 Expenditure on grants and reconciliations of unspent funds

Table 22 MBRR SA19 – Expenditure on transfers and grant programmes

EC443 Mbizana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		151,081	173,161	209,159	203,804	204,212	–	235,530	255,387	274,482
Local Government Equitable Share		126,027	145,251	181,314	175,910	175,910		197,681	227,226	238,082
Finance Management		2,456	1,606	1,268	1,810	2,218		2,145	2,400	2,400
Municipal Systems Improvement		1,348	890	579	–	–		–	761	–
EPWP Incentive		1,250	1,021	1,000	1,084	1,084		1,704	–	–
Integrated National Electrification Programme		20,000	24,393	24,998	25,000	25,000		34,000	25,000	34,000
Other transfers/grants [insert description]										
Provincial Government:		–	564	3,319	381	548	–	350	370	391
Sport and Recreation				240	263	263		350	370	391
				3,079		167				
Other transfers/grants [insert description]			564		118	118				
District Municipality:		–	–	–	400	400	–	–	–	–
Integrated Development Planning					100	100				
					300	300				
Other grant providers:		–	–	–	100	100	–	–	–	–
GIS Shared Services					100	100				
Total operating expenditure of Transfers and Grants		151,081	173,725	212,478	204,685	205,260	–	235,880	255,757	274,873
Capital expenditure of Transfers and Grants										
National Government:		43,976	45,424	46,783	46,159	46,159	–	61,178	51,916	54,806
Municipal Infrastructure Grant (MIG)		43,976	45,424	46,783	46,159	46,159		61,178	51,916	54,806
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	–	–	–	–	21,681	–	–
Electrification Assistance								21,681		
District Municipality:		–	–	–	–	–	–	–	–	–
Integrated Development Planning										
Other grant providers:		–	–	–	–	–	–	–	–	–
GIS Shared Services										
Total capital expenditure of Transfers and Grants		43,976	45,424	46,783	46,159	46,159	–	82,859	51,916	54,806
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		195,057	219,149	259,261	250,844	251,419	–	318,739	307,673	329,679

Table 23 MBRR SA20 – Reconciliation of transfers, grant receipts and unspent funds

EC443 Mbizana - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1.3									
National Government:										
Balance unspent at beginning of the year		1 614	735	45	803	803				
Current year receipts		127 003	148 785	184 919	178 804	178 804		235 530	255 387	274 482
Conditions met - transferred to revenue		127 882	149 474	184 161	179 607	179 607	-	235 530	255 387	274 482
Conditions still to be met - transferred to liabilities		735	45	803						
Provincial Government:										
Balance unspent at beginning of the year		63	1 632	4 860	1 791	1 791				
Current year receipts		1 569	3 540	250	381	381		350	370	391
Conditions met - transferred to revenue		-	312	3 319	2 172	2 172	-	350	370	391
Conditions still to be met - transferred to liabilities		1 632	4 860	1 791						
District Municipality:										
Balance unspent at beginning of the year		500	7	157	357	357				
Current year receipts		481	150	200	500	500				
Conditions met - transferred to revenue		974	-	-	857	857	-	-	-	-
Conditions still to be met - transferred to liabilities		7	157	357						
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		128 856	149 787	187 480	182 636	182 636	-	235 880	255 757	274 873
Total operating transfers and grants - CTBM	2	2 374	5 062	2 951	-	-	-	-	-	-
Capital transfers and grants:	1.3									
National Government:										
Balance unspent at beginning of the year		4 104	420	2	4	4				
Current year receipts		60 297	69 392	71 783	71 159	71 159		61 178	51 916	54 806
Conditions met - transferred to revenue		63 981	69 811	71 781	71 163	71 163	-	61 178	51 916	54 806
Conditions still to be met - transferred to liabilities		420	2	4						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts						29 700		21 681		
Conditions met - transferred to revenue		-	-	-	-	29 700	-	21 681	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		63 981	69 811	71 781	71 163	100 863	-	82 859	51 916	54 806
Total capital transfers and grants - CTBM	2	420	2	4	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		192 837	219 597	259 261	253 799	283 499	-	318 739	307 673	329 679
TOTAL TRANSFERS AND GRANTS - CTBM		2 794	5 064	2 955	-	-	-	-	-	-

Table 24 MBRR SA24 – Summary of personnel numbers

EC443 Mbizana - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2015/16			Current Year 2016/17			Budget Year 2017/18		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	61	4	57	61	4	57	61	4	57
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	6		6	6		6	7		6
Other Managers	16	3	13	16	3	13	16	3	13
Professionals	-	-	-	-	-	-	-	-	-
Finance									
Spatial/town planning									
Information Technology									
Roads									
Electricity									
Water									
Sanitation									
Refuse									
Other									
Technicians	53	50	2	53	50	2	53	50	2
Finance	11	10	-	11	10	-	11	10	-
Spatial/town planning									
Information Technology									
Roads									
Electricity									
Water									
Sanitation									
Refuse	42	40	2	42	40	2	42	40	2
Other									
Clerks (Clerical and administrative)	97	67	31	97	67	31	97	67	31
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	4		4	4		4	4		4
Elementary Occupations	83	83		83	83		83	83	
TOTAL PERSONNEL NUMBERS	320	207	113	320	207	113	321	207	113
% increase				-	-	-	0.3%	-	-
Total municipal employees headcount									
Finance personnel headcount									
Human Resources personnel headcount									

2.6 Monthly targets for revenue, expenditure and cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source															
Property rates	10,085	2,849	361	380	950	359	351	399	931	1,100	1,139	108	18,991	20,111	22,529
Service charges - electricity revenue	3,529	4,412	3,235	2,647	2,618	2,500	2,647	1,471	1,441	1,324	1,588	2,000	29,412	31,119	32,818
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue	102	93	100	97	90	92	97	168	102	107	122	529	1,699	1,911	2,141
Service charges - other			1	0	-	1	1	1	1	2	2	4	11	12	12
Rental of facilities and equipment	8	3	69	54	72	71	99	103	74	107	60	46	705	811	858
Interest earned - external investments	370	681	862	493	370	382	1,047	677	554	185	328	12	6,150	6,522	6,900
Interest earned - outstanding debtors	248	7	213	231	218	89	133	35	180	195	170	75	1,775	1,880	1,989
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	12	16	66	132	99	107	115	41	58	82	49	45	823	871	922
Licences and permits	142	214	285	190	180	261	197	165	154	185	221	178	2,372	2,512	2,658
Agency services	60	104	129	69	78	74	75	64	51	52	55	52	863	914	967
Transfer receipts - operational	90,173	-	-	-	-	67,630	-	-	47,136	-	-	-	204,939	233,353	243,613
Other revenue	54	43	40	11	81	50	119	43	12	44	43	-	539	685	848
Cash Receipts by Source	164,764	8,822	5,361	4,302	4,755	71,615	4,661	3,187	50,673	3,382	3,776	3,648	268,347	300,791	316,251
Other Cash Flows by Source															
Transfer receipts - capital	28,450	-	-	-	-	34,140	-	-	51,210	-	-	-	113,800	74,320	86,088
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	133,214	8,822	5,361	4,302	4,755	105,755	4,661	3,187	101,883	3,382	3,776	3,648	382,148	375,021	402,339
Cash Payments by Type															
Employee related costs	7,476	7,476	7,476	8,544	7,476	9,612	9,078	9,612	10,680	9,932	9,505	10,575	107,442	111,025	116,576
Remuneration of councillors	1,505	1,613	1,720	1,699	1,888	1,763	2,150	1,935	1,828	1,671	1,892	1,838	21,502	22,577	23,706
Finance charges	-	929	-	378	-	-	252	-	-	-	18	-	1,575	1,653	1,736
Bulk purchases - Electricity	2,817	1,252	3,130	2,191	2,316	2,223	2,035	2,097	2,911	3,756	3,443	3,130	31,303	33,807	36,512
Bulk purchases - Water & Sewer															
Other materials	346	-	-	287	-	-	249	-	-	-	-	-	882	928	972
Contracted services	2,045	1,306	4,568	5,460	3,252	2,730	1,892	2,919	1,281	6,629	1,892	965	35,119	39,878	38,724
Transfers and grants - other municipalities															
Transfers and grants - other	1,009	930	112	1,345	336	1,457	841	773	1,681	1,177	224	1,323	11,209	11,779	12,358
Other expenditure	9,966	2,083	7,914	1,874	2,499	4,998	1,250	4,998	1,416	2,041	833	4,570	44,471	51,633	57,264
Cash Payments by Type	25,195	15,569	24,920	21,778	17,568	22,783	17,746	22,335	19,778	25,666	17,866	22,491	253,593	273,269	287,949
Other Cash Flows/Payments by Type															
Capital assets	11,520	13,824	8,054	10,368	14,976	19,564	9,562	7,488	7,949	4,378	3,686	3,802	115,202	81,495	93,890
Repayment of borrowing		5,000		5,000			5,369						15,389		
Other Cash Flows/Payments															
Total Cash Payments by Type	36,715	34,413	32,964	37,146	32,544	42,367	32,707	29,823	27,727	29,984	21,492	26,292	384,105	354,764	361,549
NET INCREASE/(DECREASE) IN CASH HELD	96,499	(25,792)	(27,623)	(32,844)	(27,790)	63,388	(27,826)	(26,656)	74,157	(26,602)	(17,716)	(23,154)	(1,956)	20,257	20,788
Cash/Cash equivalents at the month/year begin	85,333	181,832	138,041	108,418	75,574	47,784	111,172	83,346	58,691	130,847	104,246	86,530	85,333	83,376	83,632
Cash/Cash equivalents at the month/year end	181,832	138,041	108,418	75,574	47,784	111,172	83,346	58,691	130,847	104,246	86,530	85,333	83,376	83,632	104,420

Table 25 MBRR SA25 – Budgeted monthly revenue and expenditure

EC443 Mbizana - Supporting Table SA25 Budgeted monthly revenue and expenditure

Budget Year 2017/18														Medium Term Revenue and Expenditure Framework		
Description	Ref	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Property rates		1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	22 342	23 660	25 032
Service charges - electricity revenue		2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 463	2 314	29 412	31 119	32 616
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	0	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Service charges - refuse revenue		177	177	177	177	177	177	177	177	177	177	177	177	2 123	2 249	2 379
Service charges - other		1	1	1	1	1	1	1	1	1	1	1	1	11	12	12
Rental of facilities and equipment		64	64	64	64	64	64	64	64	64	64	64	64	765	811	858
Interest earned - external investments		513	513	513	513	513	513	513	513	513	513	513	513	6 159	6 522	6 900
Interest earned - outstanding debtors		148	148	148	148	148	148	148	148	148	148	148	148	1 775	1 880	1 989
Dividends received		-	0	0	0	0	0	0	0	0	0	0	(0)	-	-	-
Fines, penalties and forfeits		69	69	69	69	69	69	69	69	69	69	69	69	823	871	922
Licences and permits		198	198	198	198	198	198	198	198	198	198	198	198	2 372	2 512	2 650
Agency services		72	72	72	72	72	72	72	72	72	72	72	72	863	914	967
Transfers and subsidies		79 677	605	605	605	605	69 793	605	605	50 025	605	605	605	204 939	233 353	243 613
Other revenue		90	90	90	90	90	90	90	90	90	90	90	90	1 078	1 142	1 208
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		83 333	6 261	6 261	6 261	6 261	75 449	6 261	6 261	55 681	6 261	6 261	6 111	272 863	303 044	319 354
Expenditure By Type																
Employee related costs		8 900	8 900	8 900	8 900	8 900	8 900	8 900	8 900	8 900	8 900	8 900	9 542	107 442	111 025	116 576
Remuneration of councillors		1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	1 792	21 502	22 577	23 706
Debt impairment		166	166	166	166	166	166	166	166	166	166	166	166	1 995	2 095	2 199
Depreciation & asset impairment		3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	46 011	48 311	50 727
Finance charges		131	131	131	131	131	131	131	131	131	131	131	131	1 575	1 653	1 736
Bulk purchases		2 609	2 609	2 609	2 609	2 609	2 609	2 609	2 609	2 609	2 609	2 609	2 609	31 303	33 807	36 512
Other materials		90	90	90	90	90	90	90	90	90	90	90	(110)	882	926	972
Contracted services		-	5 100	21	3 250	470	4 900	3 690	5 255	3 300	5 175	3 758	-	35 119	39 878	38 724
Transfers and subsidies		934	934	934	934	934	934	934	934	934	934	934	934	11 209	11 770	12 358
Other expenditure		3 471	3 471	3 471	3 471	3 471	3 471	3 471	3 471	3 471	3 471	3 471	6 291	44 471	51 633	57 364
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		21 927	27 027	21 948	25 177	22 397	26 827	25 617	27 183	25 227	27 102	25 685	25 190	301 509	323 675	340 875
Surplus/(Deficit)																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		9 483	9 483	9 483	9 483	9 483	9 483	9 483	9 483	9 483	9 483	9 483	9 483	113 800	74 320	86 066
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		72 889	(11 283)	(6 204)	(9 433)	(6 653)	58 105	(10 873)	(11 438)	39 937	(11 358)	(9 941)	(9 595)	84 954	55 689	64 545
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	72 889	(11 283)	(6 204)	(9 433)	(6 653)	58 105	(10 873)	(11 438)	39 937	(11 358)	(9 941)	(9 595)	84 954	55 689	64 545

Table 26 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue by Vote																
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget & Treasury		84,148	2,840	2,840	2,840	2,840	72,028	2,840	2,840	52,260	2,840	605	2,235	231,157	263,566	275,585
Vote 3 - Corporate Service		18	18	18	18	18	18	18	18	18	18	18	18	220	233	246
Vote 4 - Development Planning		18	18	18	18	18	18	18	18	18	18	18	18	218	231	244
Vote 5 - Community Services		650	650	650	650	650	650	650	650	650	650	650	650	7,799	6,454	6,828
Vote 6 - Engineering Services		12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	147,219	109,068	122,822
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Revenue by Vote		97,102	15,795	15,795	15,795	15,795	84,983	15,795	15,795	65,215	15,795	13,559	15,190	386,612	379,551	405,728
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	5,683	4,913	67,425	70,797	74,337
Vote 2 - Budget & Treasury		5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	5,958	3,299	68,840	72,281	75,896
Vote 3 - Corporate Service		3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	3,928	2,016	45,223	47,485	49,859
Vote 4 - Development Planning		1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	1,343	779	15,546	16,324	17,140
Vote 5 - Community Services		4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	4,627	3,973	54,871	55,828	58,622
Vote 6 - Engineering Services		1,270	3,500	4,800	2,179	5,644	5,644	4,123	5,300	5,644	5,644	5,644	212	49,603	60,960	65,023
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Expenditure by Vote		22,809	25,039	26,339	23,718	27,183	27,183	25,662	26,639	27,183	27,183	27,183	15,191	301,509	323,675	340,675
Surplus/(Deficit) before assoc.		74,294	(9,244)	(10,544)	(7,923)	(11,388)	57,800	(9,867)	(11,044)	38,032	(11,388)	(13,623)	(2)	85,104	55,876	64,851
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	74,294	(9,244)	(10,544)	(7,923)	(11,388)	57,800	(9,867)	(11,044)	38,032	(11,388)	(13,623)	(2)	85,104	55,876	64,851

Table 27 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

EC43 Mbizana - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue - Functional																
Governance and administration		84,148	2,840	2,840	2,840	2,840	72,028	2,840	2,840	52,260	2,840	605	2,455	231,378	263,799	275,632
Executive and council														-	-	-
Finance and administration		84,148	2,840	2,840	2,840	2,840	72,028	2,840	2,840	52,260	2,840	605	2,455	231,378	263,799	275,632
Internal audit														-	-	-
Community and public safety		35	35	35	35	35	35	35	35	35	35	35	35	424	449	474
Community and social services		35	35	35	35	35	35	35	35	35	35	35	35	424	449	474
Sport and recreation														-	-	-
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
Economic and environmental services		5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	5,436	85,230	58,207	59,346
Planning and development		9	9	9	9	9	9	9	9	9	9	9	9	102	108	114
Road transport		5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	5,427	65,128	58,099	59,232
Environmental protection														-	-	-
Trading services		7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	7,455	89,456	58,966	69,936
Energy sources		7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	7,133	85,593	58,677	67,515
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		322	322	322	322	322	322	322	322	322	322	322	322	3,865	2,269	2,421
Other		10	10	10	10	10	10	10	10	10	10	10	10	123	130	138
Total Revenue - Functional		97,084	15,776	15,776	15,776	15,776	84,965	15,776	15,776	65,197	15,776	13,541	15,391	386,612	379,551	405,726
Expenditure - Functional																
Governance and administration		18,114	15,794	15,914	16,114	16,114	18,114	16,114	16,114	16,114	16,114	16,114	11,892	188,427	197,849	207,741
Executive and council		4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	4,472	5,382	54,571	57,299	60,164
Finance and administration		11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	11,323	6,196	130,744	137,282	144,146
Internal audit		320	-	120	320	320	320	320	320	320	320	320	114	3,112	3,268	3,432
Community and public safety		1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,143	13,804	14,286	15,003
Community and social services		915	915	915	915	915	915	915	915	915	915	915	925	10,991	11,543	12,123
Sport and recreation		49	49	49	49	49	49	49	49	49	49	49	49	584	613	644
Public safety		79	79	79	79	79	79	79	79	79	79	79	79	948	996	1,045
Housing		90	90	90	90	90	90	90	90	90	90	90	90	1,080	1,134	1,191
Health														-	-	-
Economic and environmental services		1,450	1,687	4,658	4,131	5,031	3,341	3,031	2,281	2,274	4,341	4,011	956	37,176	48,973	49,321
Planning and development		-	802	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	352	18,758	19,234	20,196
Road transport		1,300	700	2,517	1,990	2,890	1,200	890	120	133	2,200	1,870	604	16,414	25,634	26,916
Environmental protection		150	185	185	185	185	185	185	185	185	185	185	1	2,004	2,104	2,210
Trading services		5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	4,066	86,114	82,270	86,398
Energy sources		3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	3,721	2,896	43,829	46,959	50,322
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,173	16,286	15,311	16,076
Other		182	182	182	182	182	182	182	182	182	182	182	182	2,187	2,297	2,412
Total Expenditure - Functional		23,974	23,892	26,963	26,656	27,556	25,866	25,556	24,786	24,799	26,866	26,536	18,043	301,509	323,675	340,875
Surplus/(Deficit) before assoc.		73,110	(8,115)	(11,206)	(10,879)	(11,779)	59,099	(9,779)	(9,009)	40,398	(11,089)	(12,994)	(2,652)	85,104	55,876	64,851
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	73,110	(8,115)	(11,206)	(10,879)	(11,779)	59,099	(9,779)	(9,009)	40,398	(11,089)	(12,994)	(2,652)	85,104	55,876	64,851

Table 28 MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)

EC443 Mbizana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget & Treasury													-	-	-	-
Vote 3 - Corporate Service													-	-	-	-
Vote 4 - Development Planning													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Engineering Services		1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	23,551	21,959	13,506
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	1,963	23,551	21,959	13,506
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget & Treasury		80											-	80	84	88
Vote 3 - Corporate Service						4,460							-	4,460	4,683	4,917
Vote 4 - Development Planning					400								-	400	420	441
Vote 5 - Community Services		-	120	139	200	129	298	298	298	298	298	298	94	2,468	1,968	2,087
Vote 6 - Engineering Services		5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	5,833	20,075	84,243	52,361	72,559
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	5,913	5,953	5,972	6,433	10,422	6,131	6,131	6,131	6,131	6,131	6,131	20,189	91,651	59,537	80,093
Total Capital Expenditure	2	7,876	7,916	7,935	8,396	12,385	8,094	8,094	8,094	8,094	8,094	8,094	22,131	115,202	81,495	93,600

Table 29 MBRR SA29 – Budgeted monthly capital expenditure (functional classification)

EC443 Mbizana - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		80	-	-	-	4,796	-	-	-	-	-	-	-	4,876	5,120	5,376
Executive and council					-								-	-	-	-
Finance and administration		80				4,796							-	4,876	5,120	5,376
Internal audit													-	-	-	-
<i>Community and public safety</i>		-	800	-	-	-	-	-	-	-	-	-	-	800	551	579
Community and social services				-									-	-	551	579
Sport and recreation													-	-	-	-
Public safety			800										-	800	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		4,834	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	4,734	16,337	68,513	50,055	52,837
Planning and development		2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	5,302	36,377	23,321	13,947
Road transport		1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,909	11,036	32,036	26,630	38,780
Environmental protection		100											-	100	105	110
<i>Trading services</i>		3,162	3,162	3,162	3,162	3,162	3,162	3,894	3,162	3,162	3,162	3,162	5,500	41,013	25,769	34,007
Energy sources		3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	3,162	5,500	40,281	25,000	34,000
Water management													-	-	-	-
Waste water management													-	-	-	-
Waste management								732					-	732	769	807
Other													-	-	-	-
Total Capital Expenditure - Functional	2	8,076	8,696	7,896	7,896	12,692	7,896	8,628	7,896	7,896	7,896	7,896	21,837	115,202	81,495	93,600
Funded by:																
National Government		5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	5,991	10,820	76,719	74,320	86,066
Provincial Government		1,277	2,577	1,622	1,197	6,593	1,057	1,830	1,097	1,097	1,097	1,097	1,097	21,681	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		7,268	8,568	7,613	7,188	12,584	7,088	7,821	7,088	7,088	7,088	7,088	11,917	98,400	74,320	86,066
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		808	808	808	808	808	808	808	808	808	808	808	7,915	16,802	7,175	7,534
Total Capital Funding		8,076	9,376	8,421	7,996	13,392	7,896	8,628	7,896	7,896	7,896	7,896	19,832	115,202	81,495	93,600

Table 30 MBRR SA30 – Budgeted monthly cash flow

EC443 Mbizana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source															
Property rates	10 085	2 849	361	380	950	359	351	369	931	1 100	1 139	108	18 991	20 111	22 529
Service charges - electricity revenue	3 529	4 412	3 235	2 847	2 818	2 500	2 847	1 471	1 441	1 324	1 588	2 000	29 412	31 119	32 818
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue	102	93	100	97	90	92	97	168	102	107	122	520	1 609	1 911	2 141
Service charges - other			1	0	-	1	1	1	1	2	2	4	11	12	12
Rental of facilities and equipment	8	3	69	54	72	71	99	103	74	107	60	46	705	811	858
Interest earned - external investments	370	861	862	493	370	382	1 047	677	554	185	328	12	6 150	6 522	6 900
Interest earned - outstanding debtors	248	7	213	231	218	89	133	35	180	195	170	75	1 775	1 880	1 989
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	12	18	88	132	99	107	115	41	58	82	49	45	823	871	922
Licences and permits	142	214	285	190	180	261	197	186	154	185	221	178	2 372	2 512	2 858
Agency services	60	104	129	69	78	74	75	64	51	52	55	52	863	914	967
Transfer receipts - operational	90 173	-	-	-	-	67 630	-	-	47 136	-	-	-	204 939	233 353	243 613
Other revenue	54	43	40	11	81	50	119	43	12	44	43	-	530	685	848
Cash Receipts by Source	104 784	8 622	5 361	4 302	4 755	71 615	4 881	3 167	50 673	3 382	3 776	3 048	268 347	300 761	318 251
Other Cash Flows by Source	28 450	-	-	-	-	34 140	-	-	51 210	-	-	-	113 800	74 320	86 066
Transfer receipts - capital															
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/re-financing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	133 234	8 622	5 361	4 302	4 755	105 755	4 881	3 167	101 883	3 382	3 776	3 048	382 148	375 081	404 316
Cash Payments by Type															
Employee related costs	7 476	7 476	7 476	8 544	7 476	9 612	9 078	9 612	10 580	9 932	9 505	10 575	107 442	111 025	116 576
Remuneration of councillors	1 505	1 613	1 720	1 699	1 688	1 763	2 150	1 935	1 628	1 871	1 892	1 838	21 502	22 577	23 706
Finance charges	-	929	-	378	-	-	252	-	-	-	18	-	1 575	1 853	1 736
Bulk purchases - Electricity	2 817	1 252	3 130	2 191	2 316	2 223	2 035	2 067	2 911	3 756	3 443	3 130	31 303	33 807	36 512
Bulk purchases - Water & Sewer															
Other materials	348	-	-	287	-	-	249	-	-	-	-	-	682	928	972
Contracted services	2 045	1 308	4 568	5 460	3 252	2 730	1 892	2 919	1 261	6 629	1 892	965	35 119	36 878	38 724
Transfers and grants - other municipalities															
Transfers and grants - other	1 009	930	112	1 345	336	1 457	841	773	1 661	1 177	224	1 323	11 200	11 770	12 356
Other expenditure	9 996	2 083	7 914	1 874	2 499	4 908	1 250	4 968	1 416	2 041	833	4 570	44 471	51 633	57 364
Cash Payments by Type	25 195	15 589	24 920	21 778	17 568	22 783	17 746	22 335	19 778	25 606	17 806	22 401	253 503	273 269	287 949
Other Cash Flows/Payments by Type															
Capital asset	11 520	13 824	8 064	10 368	14 976	19 584	9 562	7 488	7 949	4 378	3 686	3 802	115 202	81 495	93 800
Repayment of borrowing		5 000		5 000			5 399						15 399		
Other Cash Flow s/Payments															
Total Cash Payments by Type	36 715	34 413	32 984	37 146	32 544	42 367	32 707	29 823	27 727	29 984	21 492	26 202	384 105	354 764	381 549
NET INCREASE/(DECREASE) IN CASH HELD	96 499	(25 792)	(27 623)	(32 844)	(27 799)	63 368	(27 826)	(26 656)	74 157	(26 602)	(17 716)	(23 154)	(1 956)	20 257	20 768
Cash/cash equivalents at the monthly year begin	65 333	161 832	136 041	108 418	75 574	47 784	111 172	83 346	56 691	130 847	104 246	86 530	65 333	63 376	83 632
Cash/cash equivalents at the monthly year end	161 832	136 041	108 418	75 574	47 784	111 172	83 346	56 691	130 847	104 246	86 530	63 376	63 376	83 632	104 400

2.7 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial management comments and budget confirmation from the Budget and Treasury office.

Table 31 MBRR SA34a – Capital expenditure on new assets by asset class

May 2017

Table 32 MBRR SA34b – Capital Expenditure on renewal of Existing Assets by asset class

[illegible]

Table 33 MBRR SA34c – Repairs and maintenance by asset class

2024 Mission - Supporting Table BAA: Repairs and maintenance expenditure by asset class										
Description	Unit	2012/13			Current Year 2013/14			2017/18 Estimated Expenditure Framework		
		Actual Expenditure	Actual Expenditure	Actual Expenditure	Original Budget	Adjusted Budget	Full Year Forecast	2017/18 Budget	2018/19 Budget	2019/20 Budget
Information Systems										
Computer Hardware								1,000	9,000	10,000
Software								1,000	10,000	10,000
Network Equipment								1,000	10,000	10,000
Computer Peripherals										
Computer Maintenance										
Network Maintenance										
Computer Hardware										
Software										
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Network Equipment										

2.9 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is improving.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the interns trained over the years 5 were absorbed within the municipality's budget and treasury office while 2 have found employment in other municipality's and are now at managerial level. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional. This is despite resignations that have happened in recent times, but the council has been able to appoint other members within reasonable periods of time.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2017/18 MTREF in May 2017 directly aligned and informed by the 2017/18 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.10 Municipal manager's quality certificate

I L. MATHAKA, municipal manager of Mbizana Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name

L. MATHAKA

Municipal manager of Mbizana Local Municipality (EC443)

Signature

[Signature]

Date

30/05/2017